INFORMATION LETTER

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Processors of Food Hold Joint Conference on War Problems

Government Men Meet with Producing Industries —N.C.A. Creates Own Manpower Division And Rejects OPA Grade Labeling

The Food Processors' Conference, called in Chicago at the suggestion of the Government, December 14 to 16, and combining for the first time mutual consideration of the problems of canners, frozen food packers, dehydrators and preservers, proved in every sense to be a meeting devoted seriously and exclusively to business. Capacity or overflow attendance marked each meeting on the program, whether it brought the processors together in common session, or was confined to the specific problems of the individual processor group.

Such mutual problems as procurement, manpower, pricing policies, production, wage and salary stabilization, and transportation, were on the agenda of the three joint sessions, while the special concerns of the individual industries were covered in separate panel discussions. At each of these two types of meetings, government representatives took the leading part, as speakers, chairmen, and discussion leaders. Conference rooms were set aside, and were in use daily following adjournment and during the evening hours by representatives of the Department of Agriculture, War Production Board, Office of the Quartermaster General, and Office of Price Administration.

Processors of seasonal products, who are obliged to have advance knowledge of how they must operate, so as to contract acreage, labor, and other elements of their production, found themselves unable to obtain all the information they needed and desired. This was due to the fact that recent executive orders covering food administration and manpower had created new organizational set-ups which affected nearly all the government agencies represented at the Conference. Consequently, representatives arrived at the Palmer House without definite knowledge as to how the new appointments might affect their policy and procedure. However, as was pointed out by President Carroll E. Lindsey of the National Canners Association, tin conservation, pack reservation, and priority orders were complete, and OPA basic policies and USDA general food goals and support plans were outlined. General policies and procedures on wage and salary stabilization and manpower programs also were available, all of which represented more information than was on hand at the convention of last January.

The National Canners Association sought to meet one of the chief problems of a processor under wartime conditions on a principle of industry "self-help", voting to create a Manpower Division of the Association, and appropriating $20,000 for the purpose of formulating and carrying out plans to obtain, train and utilize adequate manpower to harvest and process the essential foods of the 1943 canned food goals.

Other important action was taken by the Association, through resolutions adopted with respect to:

1. Grade labeling—in which the industry recorded its dissent from and rejection of OPA's proposed compulsory grade labeling, calling it unnecessary for price control and an "unwarranted interference with an industry whose attention and energy must be devoted fully to the war effort."

2. Freight transportation—in which canners pledged themselves to take every measure towards relieving the transportation burden.

3. Allocation of essential materials—in which the industry urged that no restrictions be placed upon processing of as much essential food as the harvest will make available, and that facilities of farm, field, and factory be made fully available for this purpose. Texts of these, and other resolutions passed by N.C.A., are presented in full on pages 7385-7387.

General Sessions of Processors

The opening general session of the Food Processors' Conference got underway the morning of December 14, with introduction by Mr. Lindsey, as presiding chairman, of the presidents of the other processors' national trade associations, followed by addresses by the following speakers: Brig. Gen. Carl A. Hardigg, Office of the Quartermaster General; Roy F. Hendrickson, USDA; A. C. Hoffman, OPA; and Douglas C. Townson, WPB. Texts of these speeches appear on pages 7387, 7388, 7391, and 7393, respectively.

The afternoon general session was devoted to questions of manpower, with Brig Gen. William C. Rose, War Manpower Commission; Lt. Col. F. V. Keesling, Jr., Selective Service System; and Fay W. Hunter, U. S. Employment Service, on the platform. Col. Keesling's remarks were off the record, but the addresses of the other two speakers are given in full in this issue. (See page 7394 for Brig. Gen. Rose's speech, and page 7397 for that of Mr. Hunter.)

At the closing general session December 16, wage and salary regulation and transportation problems were considered. Robert K. Burns, Chicago, Regional Director of the War Labor Board, spoke on wage and salary stabilization. He cited the conditions under which Executive Order 9250 permits wage increases as against those under which WLB approval is required. Mr. Burns made it clear that increases will not be permitted for the purpose of controlling the flow of manpower and that manpower needs do not furnish grounds for increases.

W. A. Voight, Regional Mileage Rationing Representative, explained the particulars of national gasoline rationing and the tire inspection requirement.

Conference Panel Discussions

Separate panel discussions were in session for canners on December 15 and for dehydrators, freezers, and preservers on December 16.

The panel for canners was in four sections—USDA, Government procurement, WPB, and OPA. The USDA panel, of which the chairman was William G. Meal, of the Agricultural Marketing Administration, took up production objectives, Lend-lease, farm and cannery labor, and USDA War Board assistance, and the respective discussion leaders were John E. Dodds, AMA; Otis E. Mulliken, Office of Agricultural War Relations; and Carl G. Wooster, Agricultural Adjustment Agency. Howard Hamilton served as chairman of the panel on government procurement. The WPB panel, with H. F. Krimendahl of the Food Division presiding, dealt with processing requirement plans, priorities, and container conservation orders, the discussion leaders being Merritt Greene, Ralph E. Arnold, Robert Solinsky, and C. P. Kolstedt. The OPA panel had Geoffrey Baker of the Food Price Division as chairman, and dealt with 1943 fruit and vegetable prices and grade labeling, Dan F. Gerber and Edward F. Phelps being discussion leaders.

Details of the panels for dehydrators, freezers and preservers are reported elsewhere in this issue.

Annual Business Meeting of the N.C.A.

The thirty-sixth annual meeting of the National Canners Association at the Palmer House, Chicago, on December 17, took place after the final session of the Processors' Conference, management of which the Association had handled at the suggestion of the Government. The meeting had been preceded earlier in the week by sessions of the Administrative Council and the Board of Directors. Recommendations of the Council on manpower and nutrition programs are reported in the account of the December 13 meeting of the Board on page 7381.

Following President Lindsey's annual address, published below, the first order of business was election of officers and directors. In keeping with a custom of former emergency years, the 1942 officers were re-elected to serve a second term.

The report of the Committee on Resolutions was next presented and discussions of the various resolutions were made from the floor. During consideration of the resolution on OPA grade labeling, a study of the problem was presented which pointed out that policing of price ceilings can best be administered through invoices from the processor to the wholesaler and the wholesaler to the retailer, and that the confusion created by a grade labeling order would retard rather than expedite production at a time when the Government is calling for a maximum of food for our armed forces, Lend-lease, and the civilian population.

Following passage of all the resolutions, it was moved and carried that since the Association had adopted numerous resolutions addressed to the several government war agencies, expressing the views of the industry, the president be directed to appoint a committee to present these views to the agencies involved.

The Finance Committee reported that a preliminary statement of actual expenditures to January 1 had been presented to the Board of Directors, and that the annual audit of the Association's books would be made after January 1, covering the calendar year, and would be printed in the Annual Report of the Secretary-Treasurer, which will be sent to all members of the Association.

ADDRESS BY PRESIDENT LINDSEY

Urges Minimum of Restrictions for Maximum of Production; Review of Conference

Following is text of the address made by President Lindsey of the National Canners Association, at the business meeting of the Association, held at Chicago, December 17:

The Conference which ended yesterday, after three days of exceptionally interesting and well-attended meetings, grew out of the need of the processing industries for information on which to base their 1943 production plans. On the one hand is the demand for a maximum food production to meet the needs of the armed forces, to provide food for Lend-lease purposes, and to supply the civilian population. On the other hand are the restrictions, increasing in number, which surround the production and distribution of foods.

Seasonal Packers Need Advance Information

Processors of seasonal products are in the position that they must have, well in advance of their actual processing season, essential, if not complete, information on how they are to be permitted to operate; otherwise they are unable to make plans, contract acreage, take steps to obtain labor, and to do the many other things that are part of an efficient production program.

Processors have been anxious to get this information, and the government agencies concerned have not only realized this fact, but on their own part have been anxious to furnish it. As a result of informal discussions with these agencies, the Conference was arranged, and the decision to call it was reached only on assurances from the government agencies that they would be able to present the information that the processors needed and desired.

I can assure you that each of the agencies did its best to keep its promises. However, very shortly before the date of the Conference two executive orders were issued affecting directly or indirectly practically every one of the agencies that had arranged to participate in the program. One order placed control of the production and distribution of foods in the hands of the Secretary of Agriculture. The other placed the control of manpower in the hands of the War Manpower Commission under Paul V. McNutt. Broad powers to determine policy and procedure were given in both of these orders. Consequently, representatives of the agencies affected by the orders came to the Conference without definite information as to how the new set-up might affect both their policy and procedure. I make this statement because I believe every canner should have it in mind in evaluating the character and scope of the information he derived from the various meetings. The government representatives, I feel sure, made every effort to be as helpful and as informative as they could be under the circumstances.

Measured against the information presented at the convention last January as to regulations governing the 1942 production, the information presented at this week's Conference as to 1943 was both more extensive, and more definite.

We have had Conservation Order M-81, giving precise information on the packing quotas, the can sizes permitted, and the kind of cans to be used.

We have had Orders M-86 and M-86-e giving the quotas of products to be reserved for the armed forces, with information as to type, style and variety of products, and the grades and can sizes preferred.

We have been given a statement of the basic policies on prices that will be followed by the Office of Price Administration, and an outline of the procedures to be employed.

We have had from the Department of Agriculture a statement of the general food production goals, and of the support price policies that it will follow.

In addition, we have been given information on general manpower policies, on policies and regulations of the War Labor Board as they relate to wage controls and procedures, and on tire rationing.

Recruitment of the Labor Supply

Announcement was made also that the Association, in an effort to make a direct, practical contribution toward a solution of the labor supply problem, which you all know is one of the most difficult we have to meet, has authorized, through action by its Board of Directors, the establishment of a Manpower Division in the Association and has appropriated the necessary money to start this work promptly. The chief objective is to recruit such labor as can be obtained in each canning community from sources hitherto untapped. The plan calls for cooperation all along the line, from the national headquarters, through the State association, to the individual communities, and the individual canners. It requires help from everyone of you, and I know you will respond as canners have always responded to the call to do a good job.

All of you who listened to and participated in the discussions at this Conference must have been impressed with the fact that the program was informative alike to canners and to the government representative. The Conference was certainly worth while, not only because the canners were given information on the regulations under which they are expected to work, but also because the government representatives were given a better understanding of the effect of these regulations, and the problems involved in operating under them. I believe that the government agencies want to establish regulations that are practicable, workable, and effective in accomplishing their purpose, and the more they know about the practical problems involved the better they will be equipped to formulate these regulations.

Food As Important As Munitions

It is unfortunate that the Conference necessarily had so much to do with restrictions, and it will be very unfortunate indeed if canners carry back home only the impression of large, if not insurmountable difficulties. They should also have in mind that the Government is asking—in fact, demanding—a maximum output of necessary foods. Rather belatedly, perhaps, the realization has come to both the people and the Government that food is a munition of war and that its production is as important as the production of arms and ammunition. I believe that what we now need above everything else is a policy of maximum production by working under a minimum of restrictions. Conservation for more conservation's sake is neither desirable nor constructive. If the country is to have the food it needs, and should have, it is going to get that food only if food production is encouraged and facilitated by keeping restrictions to the absolute minimum necessary to a well balanced and properly integrated war program. If there are restrictions that can be lifted or lightened, action to that end should be promptly taken. Every new burden laid unnecessarily upon the food producer in carrying on his business can have only one effect—the lessening of the contribution he can make to the food supply.

Both manpower and materials are basic essentials to food production. The food supply problem needs a new evaluation, based upon the realization that the country can go hungry, and *will* go hungry, if its food production roadway is made a succession of stop lights and detours.

Meeting of N.C.A. Board of Directors

The annual meeting of the Board of Directors was held on Sunday, December 13, opening with an address by Judge Edward B. Burling, Association Counsel, who called attention to the important role of the food industry in the prosecution of the war and paid tribute to what it already has accomplished.

President Carroll E. Lindsey then introduced Carl G. Wooster, Assistant Director of the Northeast Division of the Agricultural Adjustment Agency, who spoke on the functions of the State War Boards, and in turn introduced the following AAA officials and State War Board chairmen; Harry O. Wells, Assistant Director, Northwest Division, AAA; John East, Associate Director, East Central Division; L. B. Taylor, War Board representative for the Western Division; Eldon Shaw, AMA; George A. Scott, representing the California War Board; Albert J. Loveland, Iowa State War Board chairman; Harold R. Hill, Wisconsin chairman; Floyd Hines, Michigan; C. B. Raymond, New York; and Elmer F. Kruze, Ohio.

The following resolution on manpower, recommended by the Administrative Council, was adopted by the Board:

Resolved, that a Manpower Division be established in the National Canners Association, that $20,000 be included in the budget for the maintenance of the Division, and that the President of the Association be authorized to appoint a committee representative of the industry to act in an advisory capacity.

John L. Baxter of AMA, addressed the meeting on the subject of manpower, calling attention to what individual canners and State association secretaries can do in the way of self-help. He made reference to the tentative plan worked out by the Association to establish a Manpower Section. E. N. Richmond also spoke on this subject, relating the experience of California canners. Mr. Richmond urged prompt action by the industry and spoke of the urgent need for deferment of key men. Happer Payne of the Association, in speaking of his experiences in visiting eight of the canning States, reported that conditions differ in various States and in individual communities and that the Association office can be helpful in coordinating the work.

Mr. Loveland, the Iowa War Board chairman, expressed himself as confident that Iowa will be able to get its crops harvested and maintain a well-balanced production.

It was stated from the floor that the most effective aid to the manpower problem could be achieved through a lengthening of the work week to 48 hours without overtime, and attention was called to the fact that in United States the average work-week is 42½ hours as against 54 to 56 hours in Great Britain, and that a 48-hour work-week would be equivalent to an increase in available manpower of five or six million men.

The matter of the interference of hemp production goals with canning crop acreage was next discussed and experiences were reported by various canners. Mr. Wooster expressed the conviction that the Government will cooperate with canners on this problem and that a compromise program will be worked out. To a question as to the basis on which the Government classifies certain foods as essential, Mr. Wooster stated that this was based on a number of

factors, chief of which is their importance in nutrition and their suitability for shipment abroad.

H. Thomas Austern of Association Counsel addressed the Directors on administrative and legislative developments and announced that details of the transportation tax will be published in the INFORMATION LETTER. (See article on page 7401 of this issue of the LETTER.) The Board ratified the action of the Interim Committee in arranging for the Board meeting and for the business meeting of the Association on December 17.

The following Committees reported at the Board meeting: Labeling, Home Economics, Social Security, and Legislative. A resolution was passed commending the work of the Quartermaster Corps and of Howard Hamilton of the Procurement Policy Division.

The budget for 1943, as recommended by the Administrative Council, was adopted by the Board and the rate of dues was set at three-tenths of a cent per case on seasonal goods and three-twentieths of a cent per case on non-seasonal.

Provision also was made for an increase in the appropriation for nutrition research to meet the expense of undertaking the second phase of this program.

Letter From Under-Secretary of War Patterson

Brig. Gen. Carl A. Hardigg, who spoke at the opening general session of the Processor's Conference, prefaced his address by reading a letter written December 7 by Under-Secretary of War Robert P. Patterson and addressed to the National Canners Association, in which the War Department expressed its appreciation of last year's production of canned foods, and its evaluation of food processing as of equal importance with the production of munitions of war. Text of the letter follows:

"In response to an appeal made by the Government, the canning industry of the United States and of the Territories of Hawaii and Alaska exerted every possible effort to produce a record pack of canned fruits, vegetables and fish during the calendar year of 1942. As a result of their outstanding work the total pack was increased from approximately 236,000,000 cases in 1941 to more than 300,000,000 cases in 1942. This record-making production is not only providing a direct and vital contribution to the armed forces of the United States and our allies, but is also providing the reserves of food that are becoming extremely important to our civilian population.

"The War Department desires to record its deepest appreciation for this meritorious accomplishment and, through the National Canners Association, to commend all of the canners of America and all of the men and women in agriculture and in the canning factories who made this record possible. In so doing, these people have made a direct contribution toward the winning of the war.

"We anticipate that in 1943 there will be need for every pound of preserved food American canners can produce. We are all aware of the limitations which necessarily have been placed upon the use of metal and other strategic materials for use as food containers but within those limitations we are sure that the canners will produce and process sufficient food products to fill every available can. We would like to impress upon the thousands of men and women who will accomplish this work the fact that their efforts are as closely tied to battlefield operations as are the efforts of any workers engaged in the manufacture of war machines, ammunition or other battlefield supplies.

"Cognizant of the splendid cooperation you have given, the fighting men in uniform extend to their teammates in the canning industry their sincere best wishes for a productive and successful 1943."

Letter From Agriculture Secretary Wickard

The following letter was read by Roy F. Hendrickson, Director of the Food Distribution Administration, at the opening session of the Food Processors' Conference:

December 14, 1942

"Mr. Frank E. Gorrell,
"Secretary, National Canners Association.

"Dear Mr. Gorrell:

"I appreciate your fine letter of December 9. We have been impressed with the excellent manner in which the canning industry has accepted its wartime responsibility of providing the necessary food for governmental and civilian needs. I know the processors had to operate under considerable difficulties this past year, but they did their part of the job in a commendable way.

"Responsibilities on both industry and Government in the year ahead are even greater than those of the past year in solving the problem of providing the tremendous quantities of food that are necessary to win this war. Whatever steps are necessary to insure adequate production and strategic distribution of necessary foods must be taken. The processing industry is an integral and essential part of the food production program, and I am sure that your conference next week will result in developing effective measures to aid the industry in meeting its problems during the coming months.

"Thank you for your offer of continued cooperation with the Department. Our goal is the adequate production of foods essential to victory, and it is to this end that we shall utilize our resources to the fullest extent.

Sincerely yours,
CLAUDE R. WICKARD,
Secretary of Agriculture."

State Secretaries Confer on Labor

On Tuesday evening, December 15, an informal conference on the problem of labor supply was held for State secretaries and others from each of the canning States. Discussion was open to all participating, and the experiences encountered last year in many of the States were related, together with the steps which either individual canners or State associations had taken to anticipate or solve their labor problems.

There was unanimous agreement that a substantial and continuing program of publicity is necessary to acquaint the public with the essentiality of food processing in winning the war.

As to procedure in meeting the labor supply problem, the consensus of opinion on the part of the secretaries was that National Canners Association material on this subject, when ready, could effectively be distributed to State secretaries who, in turn, would circulate it throughout their individual States.

Red Pitted Cherry Section Names Officers

Officers of the Red Pitted Cherry Section of the National Canners Association for 1943, named at a meeting held during the week, are the following: Chairman, Kurt Stock, Fruit Growers Cooperative, Sturgeon Bay, Wisc.; Secretary, W. W. Wilder, Clyde Kraut Co., Clyde, Ohio.

GOVERNMENT MEN AT STATE MEETINGS

Schedule of Dates Agreed Upon For Crews of Speakers From Food Agencies

Government representatives met with secretaries of State canners associations Sunday evening to work out details of a speaking schedule which would avoid conflicts and enable government men to make appearances before each State group. A schedule of meeting places and dates was agreed upon, which involved changes in dates of some of the State meetings already scheduled. Government crews consisting of representatives of the Army, War Production Board Procurement, Office of Price Administration, Food Production and Food Distribution Administrations will appear at the following meetings of State canners associations:

Eastern Section

January 6—Pennsylvania Canners Association, York.
January 7—Tri-State Packers Association, Philadelphia, Pa.
January 11—Wisconsin Canners Association, Madison.
January 13—Indiana Canners Association, Indianapolis.
January 14—Ohio Canners Association, Columbus.
January 15—Association of New York State Canners, Inc., Buffalo.

Southern Section

January 4—Georgia Canners Association, Macon.
January 5—Florida Canners Association, Tampa.
January 8—South Texas Canners Association, McAllen.
January 11—Ozark Canners Association, Springfield, Mo.
January 13—Tennessee-Kentucky Canners Association.
January 14—Virginia Canners Association, Roanoke.

Western Section

January 6-7—Northwest Canners Association, Portland, Ore. (includes meeting with freezers and dehydrators).
January 9-10—Canners League of California, San Francisco (includes meeting with freezers and dehydrators).
January 12—Utah Canners Association, Ogden.
January 14—Iowa-Nebraska Canners Association, Des Moines.
January 15—Minnesota Canners Association, Minneapolis.

Because it proved impossible to route any of the above crews to Portland, Me., without schedule conflicts, it was decided to appoint a special crew for the meeting of the Maine Canners Association in that city on January 11. On this crew the OPA representative will be Glenn Knaub, and John L. Baxter of AMA will represent the other government agencies.

For the eastern meetings the following will comprise the government crew: E. A. Meyer, Food Distribution; N. O. Sorenson, OPA; a representative from Howard Hamilton's division, Food Procurement; Major Cosmen's division, Army (except for the Pennsylvania, Tri-State and New York meetings, at which Colonel Whittaker's Division will attend) and a speaker to be designated for Food Production.

The southern crew will consist of Merritt Greene, Food Distribution; E. F. Phelps, OPA; a representative from Howard Hamilton's division, Food Procurement; Major Cosmen's division, Army, for Georgia, Florida and Virginia, and Colonel Whittaker's Division, Army, for South Texas, Ozarks and Tennessee-Kentucky; speaker to be designated, Food Production.

Members of the western crew are: John E. Dodds, Food Distribution; Dan Gerber, Melville Ehrlich, and Geoffrey Baker, OPA; representative from Howard Hamilton's division, Food Procurement; Colonel Stanley's division, Army, for the Northwest, California and Utah meetings, and Colonel Whittaker's division, Army, for Iowa-Nebraska and Minnesota; speaker to be designated, Food Production.

State Secretaries' Dinner

Members of the State Secretaries' Association were guests of N. C. A. Secretary Frank E. Gorrell at dinner on Sunday, at which time they were given opportunity to meet personally with several of the government representatives who participated in the Conference. Introduced by President William A. Free were: Merritt Greene and E. A. Meyer of the Food Division of the War Production Board; Brig. Gen. Carl A. Hardigg, Office of the Quartermaster General; Carl G. Wooster, Agricultural Adjustment Agency; Eldon Shaw, Agricultural Marketing Administration; John E. Dodds, AMA; and John L. Baxter, AMA.

Officers of the State Secretaries' Association elected for 1943 are: Marvin Verhulst, president; Lee A. Taylor, vice president; and A. F. Dreyer, secretary-treasurer.

Program of Dehydrators at Conference

Dehydrators participated along with canners, freezers, and preservers, in the opening general session the morning of December 14, in the afternoon session that day on "Manpower," and in the closing general session on wage stabilization and transportation problems, but on December 16, with President L. K. Harper of the National Dehydrators Association presiding, held a full panel discussion of specific dehydration topics, at which the following Government officials served as discussion leaders: Col. Paul P. Logan, Assistant Chief of Subsistence, Office of the Quartermaster General on "Dehydrated Food Requirements of the Armed Forces"; R. Harry Amenta, Chief Dehydrated Food Section, War Production Board, on "Plans for Production of 1943 Requirements"; R. E. Arnold, Chief of Distribution Control, WPB, on "Priorities and Order P-115"; F. S. Leinbach, Assistant Director, Containers Division, WPB, on "Packaging Dehydrated Foods"; Fay W. Hunter, U. S. Employment Service, on "Labor Problems" and Ray Kueneman, Processed Standardization and Inspection Division, Agricultural Marketing Administration, on "Technical Problems, Inspection, and Specifications."

High requirements, approximately three times greater than those of last year, were designated by the Government officials. These requirements will total 400,000,000 pounds, broken down as follows:

Dehydrated Products	Pounds
White potatoes	134,000,000
Beets	26,000,000
Onions	20,000,000
Cabbage	34,000,000
Carrots	13,000,000
Turnips	9,000,000
Peas	12,000,000
Soups:	
Navy bean	33,000,000
Green pea	27,000,000
Yellow pea	27,000,000
Chick pea	27,000,000
Tomato	15,000,000
Noodle	5,000,000
Soya bean combination	5,000,000
Tomato juice cocktail	1,500,000

Of these quantities a total of 67,000,000 pounds is to be allocated for civilian use, the balance to be taken for military and Lend-lease purposes.

The discussion on specifications brought out the fact that for dehydrated white potatoes, turnips, sweet potatoes, and eggs, weatherproof fiber will be used as the container material instead of tin.

Col. Logan announced that 40 selected Army cooks and bakers will be sent to school at Fort Sheridan to learn how to prepare dishes using dehydrated foods, and that smaller schools will be established at ports of debarkation.

At their annual business meeting, held December 17, the following 1943 officers were elected by the dehydrators association: President—L. K. Harper, Sardik Food Products Corp., New York, N. Y (re-elected), and vice-president—Joseph Pardieck, California Vegetable Concentrates, Los Angeles, Calif.

The board of directors of the association was raised from five to seven in number, and it was announced that the directors will shortly name a full-time paid secretary who will be established in permanent offices in Washington, D. C.

Program of Freezers at Conference

Quick freezers of fruits and vegetables took an active part in the Conference, meeting with canners, dehydrators, and preservers at all of the joint sessions, and at a panel discussion, held jointly with preservers on the morning of December 16. The freezers and preservers were told at this panel by Geoffrey Baker, Price Executive, Grocery Products Division of the Office of Price Administration, that the formula system of price adjustments would be in effect in 1943 in much the same manner in which it was followed in 1942.

Speaking on "Materials and Containers," R. B. Juhnichen, Chief of the Frozen Foods Section of the Food Division of the War Production Board, asserted that 2,000 tons of critical metals had been allocated for expansion and could be used by existing plants, but not for the purpose of establishing new plants. No tin is to be allowed for cold packs, it was stated.

On "Acreage Goals and Support Prices," William G. Meal, of the Agricultural Marketing Agency, told freezers and preservers that support prices are to be announced in January.

Requirements for the Army were quoted by Carl Kolb, of the Office of the Quartermaster General, to be 70,900,000 pounds. This volume is sought from the 1943 packs of frozen peas, cut corn, lima beans, snap beans and spinach. Roughly, it represents about a one third increase over last year's overall total. The requirement was based on the 1942 production of 21 frozen food packers who annually pack 1,300,000 pounds or more. In addition to the total requirement given above, it was stated that the Government will continue to accept other items besides the five products named and also probably will accept additions to the quantities sought of these five items (peas—35 per cent; snap beans—13 per cent; lima beans—24 per cent; spinach—17 per cent; cut corn—11 per cent) up to an unannounced limit.

All officers of the National Frozen Food Association were re-elected at the business meeting held on December 13. They are: President—Edwin T. Gibson, Frosted Food Sales Corp., New York City; first vice-president, Ralph O. Dulany, John H. Dulany & Son, Fruitland, Md.; second vice-president—John N. Seaman, Bozeman Canning Co., Mt. Vernon, Wash.; and secretary-treasurer—Lawrence S. Martin.

N.C.A. Officers, Directors, and Committeemen

Following is a list of the 1943 N.C.A. Officers, Board of Diectors, and members of the Finance, Taxation, Manpower, and Resolutions Committees. Officers and new members of the Board were elected at the business meeting on the morning of December 17. Committee appointments were announced by President Carroll E. Lindsey, at the same session.

OFFICERS RE-ELECTED

PRESIDENT: Carroll E. Lindsey, Lakeland Highlands Canning Company, Highland City, Florida.

FIRST VICE PRESIDENT: G. Sherwin Haxton, Haxton Canning Company, Oakfield, New York.

SECOND VICE PRESIDENT: Alfred W. Eames, California Packing Corporation, San Francisco, California.

SECRETARY-TREASURER: Frank E. Gorrell, Washington, D. C.

DIRECTORS

For Two Years

Rodney S. Bell, Kuner-Empson Company, Brighton, Colo.

For Three Years

George F. Greb, Blytheville Canning Co., Inc., Blytheville, Ark.
Stanley Powell, California Packing Corp., San Francisco, Calif.
Fred Drew, Drew Canning Co., Ltd., Campbell, Calif.
A. R. Plummer, Kings County Packing Co., San Francisco, Calif.
H. C. Draper, Draper Canning Co., Milton, Del.
W. W. Giddings, Polk Packing Assn., Winter Haven, Fla.
A. R. Dunbar, Old Grimes Canning Co., Grimes, Iowa.
Garth Carrier, Iowa Canning Co., Vinton, Iowa.
Carl B. Urann, Cranberry Canners, Inc., Hanson, Mass.
Walter A. Friend, Friend Brothers, Melrose, Mass.
William Kinnaird, Northern Processing Co., Traverse City, Mich.
Frank J. Tormey, Snider Packing Corp., Rochester, N. Y.
William E. Halstead, Halstead Canning Co., Inc., Cortland, N. Y.
C. Webb Campbell, Cummins Canning Co., Conneaut, Ohio.
J. R. Smith, Jr., Esmeralda Canning Co., Circleville, Ohio.
George Wenger, The J. Weller Company, Oak Harbor, Ohio.
Berkeley Davis, Rogers Canning Co., Milton, Ore.
Fred Moss, Idaho Canning Co., Ltd., Payette, Idaho.
T. Stran Summers, Charles G. Summers, Jr., Inc., New Freedom, Pa.
W. A. Free, Hungerford Packing Co., Hungerford, Pa.
D. B. Stringham, Royal Canning Corp., Ogden, Utah.
Joseph Weber, Durand Canning Co., Durand, Wis.

Held Over From Previous Years

Ivan L. Anderson, Anderson Canning and Pickle Co., Dodge Center, Minn.
Herbert J. Barnes, Kaysville Canning Corp., Kaysville, Utah.
Fred C. Bush, Bush Bros. & Co., Dandridge, Tenn.
Lawrence Calvert, San Juan Fishing & Packing Co., Seattle, Wash.
C. H. Chitham, Milford Canning Co., Milford, Ill.
D. D. Conway, Minot Food Packers, Inc., Hammonton, N. J.
H. K. Defendorf, Baldwin Packers, Ltd., San Francisco, Calif.
E. R. Elwell, Burnham & Morrill Co., Portland, Me.
Frank E. Falk, Vincennes Packing Corp., Vincennes, Ind.
G. A. Filice, Filice & Perrelli Canning Co., Inc., Richmond, Calif.
H. K. Funderburg, Keene-Belvidere Canning Co., Belvidere, Ill.
G. J. Hipke, A. T. Hipke & Sons, Inc., New Holstein, Wis.
Roy E. Ingalls, Washington Packers, Inc., Sumner, Wash.
H. E. Kelley, New Church, Va.
A. C. Ketzler, Bordo Products Co., Winter Haven, Fla.
A. T. Leatherbury, Eastern Shore Canning Co., Machipongo, Va.
Ben F. Logan, Jr., Ray-Maling Co., Inc., Hillsboro, Ore.
W. K. McCracken, TreeSweet Products Co., Santa Ana, Calif.
M. H. Mann, Red Lodge Canning Co., Red Lodge, Mont.
Walter W. Maule, Mushroom Cooperative Canning Co., Kennett Square, Pa.
W. A. Miskimen, Stokely Bros. & Co., Indianapolis, Ind.
R. A. Moss, Woods Cross Canning Co., Clearfield, Utah.

William Opitz, Elkhorn Canning Co., Elkhorn, Wis.
Fred C. Pratt, J. W. Pratt Co., Farmington, Me.
Harold K. Royal, Oceana Canning Co., Shelby, Mich.
F. L. Shannon, W. N. Clark Co., Rochester, N. Y.
L. E. Shannon, Otoe Food Products Co., Nebraska City, Neb.
Seth H. Soule, Monmouth Canning Co., Portland, Me.
R. M. Stingle, Hall-Stingle Co., Waterloo, Ind.
D. Thompson Swing, Ridgely, Md.
Henry P. Taylor, Taylor & Caldwell, Inc., Walkerton, Va.
C. B. Torsch, Torsch Canning Co., Baltimore, Md.
A. R. Vandever, Faribault Canning Co., Faribault, Minn.
Clarence M. Walters, Libby, McNeill & Libby, Chicago, Ill.
Milroy Warren, R. J. Peacock Canning Co., Lubec, Maine.
Henry A. White, Hawaiian Pineapple Co., Ltd., San Francisco, Calif.
H. C. Whiteford, Whiteford Packing Co., Whiteford, Md.
A. T. Williams, French Sardine Co., Terminal Island, Calif.

FINANCE COMMITTEE

Robert C. Paulus, Salem, Oregon, *Chairman.*
Harold K. Bachelder, Indianapolis, Indiana.
Herbert J. Barnes, Kaysville, Utah.
H. L. Cannon, Bridgeville, Delaware.
E. B. Cosgrove, LeSueur, Minnesota.
Ralph O. Dulany, Fruitland, Maryland.
Alfred W. Eames, San Francisco, California.
A. T. Flynn, Chicago, Illinois.
Hugh K. Funderburg, Belvidere, Illinois.
Frank Gerber, Fremont, Michigan.
Walter L. Graefe, Griffin, Georgia.
H. E. Gray, San Jose, California.
Arthur Hamilton, Lebanon, Ohio.
Francis A. Harding, Watertown, Massachusetts.
H. F. Krimendahl, Celina, Ohio.
C. E. Lindsey, Highlands City, Florida.
Carl N. Lovegren, San Francisco, California.
H. E. MacConaughey, San Francisco, California.
Karl Kuner Mayer, Brighton, Colorado.
B. C. Nott, Grand Rapids, Michigan.
B. C. Olney, Rochester, New York.
Art Oppenheimer, Marshalltown, Iowa.
Ralph Polk, Tampa, Florida.
E. N. Richmond, San Jose, California.
F. A. Stare, Columbus, Wisconsin.
E. F. Trego, Hoopeston, Illinois.
Clarence M. Walters, Chicago, Illinois.
Joseph B. Weix, Oconomowoc, Wisconsin.
Paul H. Wolf, Gwynneville, Indiana.

COMMITTEE ON TAXATION

Walter L. Graefe, Griffin, Georgia, *Chairman.*
E. B. Cosgrove, Le Sueur, Minnesota.
Carl N. Lovegren, San Francisco, California.
Clifton M. Miller, Rochester, New York.
William B. Stokely, Indianapolis, Indiana.

MANPOWER COMMITTEE

E. N. Richmond, San Jose, California, Chairman.
L. S. Argall, Rochelle, Illinois.
Harry L. Cannon, Bridgeville, Delaware.
Walter L. Graefe, Griffin, Georgia.
John P. McGovern, Le Sueur, Minnesota.

COMMITTEE ON CONVENTION RESOLUTIONS

E. B. Cosgrove, Le Sueur, Minnesota, *Chairman.*
E. N. Richmond, San Jose, California.
Harry L. Cannon, Bridgeville, Delaware.
F. A. Stare, Columbus, Wisconsin.
Frank Gerber, Fremont, Michigan.

Other committees appointed by the President will be announced in the INFORMATION LETTER at an early date.

RESOLUTIONS ADOPTED

The following resolutions, presented by Roy E. Ingalls, were unanimously passed at the December 17 business meeting of the Association:

RESOLVED, that the canning industry is convinced that the Office of Price Administration's proposal to incorporate in 1943 pricing regulations the compulsory use of collective grade labeling, and to require over-printing of such collective grades on canned food labels, is unnecessary for price control and an unwarranted interference with an industry whose attention and energy must be devoted fully to the war effort.

Compulsory grade labeling of canned foods will confuse the enforcement of price ceilings. OPA has announced that there will be regional price differentials. With differing freight rates and varying permitted wholesale and retail mark-ups, the same collective grade label on an identical product will, under proposed OPA regulations, have different ceiling prices in the same retail stores and in competing retail stores. This will create consumer confusion and promote consumer distrust of both the industry and the proposed OPA pricing system.

In those instances where the imponderable factor of flavor controls the determination, the grade and price will be dependent upon the vagaries of the individual grader's sense of taste rather than on any objective and enforceable criterion.

Nor is the proposed OPA compulsory grade labeling of canned foods necessary for price enforcement. Retail ceilings can readily be posted and verified from invoice prices for which the packer and distributor are responsible. The cutting and grading of samples from retail stores to check grade labeling is not only impracticable, but if done on any scale will also impair an already diminished food supply.

In the interest of the millions of consumers whom it serves, the industry must both record its dissent and vigorously reject this OPA proposal as unnecessary and unworkable. The requested additional services for the armed forces are necessary, and this burden is willingly assumed by the canning industry. The use of scarce manpower to meet an unnecessary, unworkable, and disruptive grade labeling requirement will only tend to diminish the war effort of the industry.

* * *

RESOLVED, that in the year 1943 the canning industry has but a single objective: The all-out production of canned foods for the armed services, our allies, and our civilian population. To such achievement each member of the industry pledges his full support.

* * *

The cardinal message given the canning industry by Brigadier General Hardigg, by Director Hendrickson, and by every other government official is that food is a vital munition of war. To the team-mates of the fighting men in uniform, the thousands of men and women in the food processing industry, Under-Secretary of War Patterson has asked us to say that "their efforts are as closely tied to the battlefield operations as are the efforts of any workers engaged in the manufacture of war machines, ammunition, or other battlefield supplies."

As an essential munition of war, food is thus as strategic and as critical a material as any under war control. In solemn realization of its responsibility in this total war, the canning industry urges upon those to whom the control and allocation of materials and the formulation and execution of regulations will be entrusted—

First, that no restrictions should be placed upon the processing of such food as the harvest will make available, and that to this end there be allocated the fullest amount of steel, tin, and other materials as the essential character of such processing requires; and

Second, that it be borne in mind that annual agricultural yields per acre, weather conditions, and other factors controlling pro-

duction vary and that every effort be made to afford container materials not only for current demands but also for future requirements, and

Third, that the armed forces have asked that the industry devise and perform additional services in the preparation of canned foods for direct military use, and that in view of these added demands upon the attention and energies of the industry, any regulations relating to the production and distribution of that part of the pack going into civilian consumption be so devised as not to cause undue disturbance or to impose hardships upon or to impair any established enterprises.

Fourth, that in any regulations relating to the control or distribution of manpower, the canning industry be grouped directly with agriculture in recognition of the fact that crops can be saved for later shipment or distant distribution only by sound and safe processing.

* * *

RESOLVED, that the securing, training, and utilization of adequate manpower for the harvesting and processing of essential foods constitutes the most critical problem in meeting the goals for 1943 production. The industry therefore commends the action of the Board of Directors of the Association in creating a Manpower Division of the Association, in directing the appointment of a Manpower Advisory Committee, and in making a substantial appropriation for the carrying on of this work.

* * *

RESOLVED, at the Processors' Conference preceding this annual meeting, the governmental representatives have repeatedly and insistently urged upon the industry the necessity of meeting the 1943 production goals. While recognizing that the war effort requires the use of substantial acreage for the production of other crops essential for the war effort, the industry recommends that in the allocation of acreage among canning and other crops it is essential to continue in the production of canning crops those lands which have historically been devoted to the growing of such crops, and that in the location of new processing plants every effort be made to place them where they will not drain manpower from existing canneries which are essential for production.

* * *

RESOLVED, that the canning industry is cognizant of the current demands being made upon the nation's transportation system and pledges itself for the coming year to take every step toward reducing the relative number of freight cars which will be used in the shipment of that part of the pack going into civilian consumption, toward the meeting and exceeding of every required or suggested loading level for railroad cars, and toward relieving in every practicable way the demand upon transportation.

* * *

RESOLVED, that the members of the canning industry express to the representatives of the United States Department of Agriculture, the War Production Board, the Office of Price Administration, and the Armed Forces, their appreciation for the splendid cooperation in making the Processors' Conference a successful avenue to achieving the production task which has been set for the industry in 1943, and particularly they desire to commend the individual speakers and discussion leaders for their frank and informative contributions at the various meetings.

* * *

RESOLVED, that the National Canners Association express its appreciation to the Navy League of the United States for its courtesy in showing pictures of Naval Battles in the South Pacific, and further express its appreciation to Lieutenant Jerome M. Jontry for his interesting and informative address on the Navy and the part it is playing in the war.

* * *

In critical periods of the industry's history the National Canners Association has been able to enlist in its service members of the industry willing to give unsparingly of their time and energy in order that the Association might carry out successfully the duties falling upon it. We are now in such a period, and during the past year the Association has rendered conspicuous service to both the country and the industry under the sound leadership of President Carroll E. Lindsey, who has consented to continue in office, thus making available for the guidance of the Association in the coming year the knowledge and experience gained in his first term; therefore, be it

RESOLVED, that the Association and the industry express to President Lindsey their gratitude for the splendid service he has rendered and pledge him their fullest cooperation in the year to come.

* * *

RESOLVED, that to Frank E. Gorrell, our beloved Secretary, the industry once again expresses its deep appreciation for his sage counsel in this period of world conflict in which it is our good fortune to be able to draw upon his experience, skill and broad knowledge in solving problems of the canning industry in the performance of its vital wartime role.

To Mr. Gorrell and his zealous and efficient staff, the Association and the industry vouchsafe their continuing gratitude for a job superbly done.

* * *

RESOLVED, a year of war has brought home to the nation the importance of food for effective fighting in war and full living in peace. Fuller realization has come of the place in the food program of properly processed canned foods made possible by the continuing program of scientific research by the Association and the can manufacturers. Once again the cooperation of the can manufacturers has been manifested by their financial support and the valuable contributions of their research laboratories in planning and carrying on the current program of nutrition research. For these invaluable efforts the industry desires to express its sincere appreciation.

* * *

Howard A. Orr, President of this Association during 1935 and 1936, for many years a member of the Administrative Council and of several important committees, passed away on November 12.

Mr. Orr was a man whose counsel and aid was constantly sought in solving the problems of the canning industry and in guiding the affairs of the National Canners Association. He cheerfully accepted the burdens and tasks which the industry impose upon him in recognition of his outstanding executive ability, alertness of intellect and fairmindedness.

His death means a great loss to the community in which he lived, to his host of friends throughout the country and to the industry with which he was so long associated; therefore, be it

RESOLVED, that the National Canners Association, meeting in Chicago on December 17, 1942, express its great sorrow over the death of our friend, and extend to Mrs. Orr, to his sister and to his sons our sincere sympathy, that this resolution be entered on the permanent records of the Association, and an engrossed copy be sent to Mrs. Orr.

* * *

Judge J. Harry Covington, General Counsel of the National Canners Association for 24 years, one-time member of the U. S. House of Representatives from Maryland, and Chief Justice of the Supreme Court of the District of Columbia, passed away on February 4, shortly after returning from the Canners' Convention last January.

Judge Covington was a lawyer of exceptional ability, and fearless in expressing his opinion. His wise counsel has helped to guide the affairs of the Association during most of its life and to solve many of the problems confronting the industry, particularly in its dealing with various government agencies and with allied

industries. He was a gentleman of unusual personal charm, always frank and kindly in his dealings with everyone with whom he came in contact. His addresses at the Association's annual conventions were generally looked upon as one of the high points of these meetings.

In the death of Judge Covington, the Association, the canning industry, and the legal profession have lost a great counsellor and friend; therefore, be it

RESOLVED, that the National Canners Association, meeting in Chicago on December 17, 1942, express its great sorrow over the death of our friend and counsellor, and extend to Mrs. Covington and to his son and daughter our deep sympathy, and that this resolution be entered upon the Association's permanent records.

* * *

In these critical times the passing of industry leaders and friends is not only a poignant sorrow to their associates, but also an irreplacable loss in our country's vital battle of production. The Association mourns the loss of the counsel and leadership of the following directors and other officials of the Association who have died since the last Convention:

H. H. Hankins, president and general manager of William Laning and Son Company, Bridgeton, N. J., died February 10. Mr. Hankins served for three years on the Board of Directors of the National Canners Association, and was one of the founders of the New Jersey Canners Association.

William P. Hartman, sales manager and vice-president of the Columbus Foods Corporation, Columbus, Wisc., died April 24. Prior to his connection with that corporation, Mr. Hartman was employed by W. R. Roach & Company, Grand Rapids, Mich. He was a man of wide experience, having been engaged in the railroad and real estate business from 1906 to 1922. In the latter year he was made State Deputy Commissioner of Agriculture and Director of the Pure Food Bureau at Lansing, Michigan, which position he left to join the W. R. Roach organization. He was active in the affairs of the Michigan and Wisconsin Canners Associations, served as a member of the Board of Directors of the National Canners Association, and was a member of several important Association Committees.

Willard W. Jones, vice-president of the Iowa Canning Company, Vinton, Iowa, died January 27. He was president of the Iowa-Nebraska Canners Association in 1931, and was a member of the Board of Directors of the National Canners Association from 1925 to 1927.

Ira S. Whitmer died February 6. At the time of his death he was no longer active in the canning business, but he was formerly president of the Bloomington Canning Company, Bloomington, Illinois, until that company merged with the Gibson Canning Company. Mr. Whitmer was a member of the Board of Directors of the National Canners Association from 1918 to 1920, and had also been a member of several Association committees.

Paul L. Stanton, vice president and general manager of the Florida Fruit Canners, Inc., Frostproof, Fla., died August 26, at Tampa. Mr. Stanton took a leading part in the activities of the citrus industry of the State and served as a member of the Advisory Committee of the Florida Citrus Commission. He was a member of the Board of Directors of the National Canners Association from 1937 to 1939, and had been secretary and vice-president of the Florida Canners Association.

W. Scott Silver, member of the Administrative Council, and one of a family long prominent in the canning industry, died in Bel Air, Md., on July 20.

Bertrand E. Maling, a member of the Administrative Council, of several other Association committees, and formerly a director of the Association, died at his home in Whale Grove, Oregon, on May 1.

Everett B. Deming, a pioneer in the salmon canning industry, and for several years a member of the Board of Directors, passed away at his home in Bellingham, Wash., on May 13. He was one of the organizers of the Association of Pacific Fisheries and was its first president.

Roy W. Hemingway, member of the Administrative Council, and a former director of the Association, died at his home in Auburn, N. Y., on July 9. Mr. Hemingway also took an active interest in the affairs of his State canners association, as well as in educational and philanthropic organizations in his community.

* * *

RESOLVED, that the President of the National Canners Association be authorized to act for the Association in selecting the location for the next annual meeting.

ADDRESS BY BRIG. GEN. HARDIGG

"Feeding the Fighting Men"

The feeding of the fighting men is quite a large order today—and it grows larger each day. I feel like "the old woman who lived in the shoe"—if I didn't have so large a family, I wouldn't have so much to do!

As I look back a year and a half, I find that many changes have occurred. In accordance with the law and custom, all supplies were purchased on bids and awards. The bids were long and involved and the amounts were relatively small. Since the Army was small and scattered from Portland, Maine, to Manila, it was good business for the Army to buy for direct delivery to the point of use. The wholesale merchant, the jobber and the broker performed a useful service for us and made it unnecessary to carry warehouse stock and maintain our own distribution.

As the Army grew it became necessary to simplify our buying procedure and buy in the manner common among business men. It was also apparent, as the volume grew and the number of posts increased, that we would have to have our own warehouses and buy direct from the producers if we were to prevent competition between our buying officers and prevent undue disturbance in the food industry. We feel that these changes in methods have contributed greatly to our success in providing food for the fighting men.

I am sure you appreciate the great volume and weight of the food required for your Army today. Each ration weighs between five and six pounds, so the daily weight of food that must be delivered to the soldiers is more than 25,000,000 pounds, or 12,500 tons. This must be delivered all over the world and must be delivered each day. A soldier cannot use two rations today and make up for one he did not have yesterday.

With this tremendous volume and weight of food to distribute each day, both weight and space become of vital importance.

Most of our foods contain a high percentage of water which constitutes the greater part of the weight and a good part of the volume of the food. By cutting down the percentage of water in our food we can make great savings in both weight and bulk.

The process of removing water is called dehydration. So today we have the large and growing dehydration industry helping us to save weight and shipping space.

Great progress has been made by this industry in producing good dehydrated foods. The foods must be *Good* and must be acceptable to the soldiers or else we will have made a loss instead of a gain, for if the soldiers can't eat them, we will have wasted the raw material, the labor, the containers, the ship tons (the most valuable commodity in the world today) and worst of all, the soldier will not have his food.

The amounts of dehydrated foods desired by the Army this year were limited only by the amounts of *Good* products that could be obtained from the industry. The foreseen requirements for all purposes for 1943 far exceed the probable expansion of

the industry. The dehydration industry, like all new industries, has its troubles in processing and in packaging, but the prospects for working out most of these troubles appear bright.

The Army is obtaining substantial quantities of quick frozen products this year, and in certain situations finds these products most useful—and here, again, the amount that could be used advantageously is limited by the amount of *Good* products the industry can produce. A program for expansion of this industry is under way, which it is hoped will permit the use of much larger quantities of frozen foods by the Army and Navy next year.

The letter from the Under Secretary of War which I read to you a little while ago has stolen a good deal of the thunder that I would like to give you before concluding. The Under Secretary praised you for the record production which you have accomplished this year. I want to endorse that praise from deep in my heart. Your accomplishments have had a great deal to do with the general satisfaction which has been felt in the way the Army has been fed—satisfaction that has been repeatedly passed on to me from soldiers and civilians alike. I know so well how hard the past year has been, and I know equally well how much harder next year will be. Canned foods requirements for our allies and our Army will be greater. Labor and materials will be scarcer. Nerves will be taut, tempers short, and patience exhausted. But the added difficulties do not relax one bit the duty that has fallen upon us in the supply branches of the armed services or upon you who must supply the supply services. I know the men in the canning industry well. The canning industry now includes dehydrators and freezers as well. Having worked with you in the past, I know you will discharge your duty now as you always have.

I am particularly gratified that you will be able to have even more assistance in the future from the Department of Agriculture. For the past six months I have worked intimately with Mr. Hendrickson. He is always sympathetic and helpful and it is a real privilege that you and I can have Secretary Wickard, Mr. Hendrickson, and their associates to guide and direct us in accomplishing a successful food program for the next year.

In conclusion I wish to convey to the industry and to each canner the appreciation not only of the Army but also of the other government agencies for the fine cooperation we have had this year. It does not seem possible that such large quantities of supplies could be procured with such ease and celerity and practically without friction. This cooperation has enabled the government agencies to obtain their very large requirements in an orderly manner. We assure you that we will do our best in the future to maintain the fine spirit of cooperation that has existed this year.

ADDRESS BY ROY F. HENDRICKSON

"A Second Look At the Canning Industry's Job In the Days Ahead"

Almost 11 months ago I spoke here in Chicago before the National Canners Convention, which most of you attended. A lot of things have happened during these last 11 months.

Then I told you that we could use all of the essential foods that we could produce. Today it is clear that the total demand for United States food is greater than we possibly can meet—that sacrifices here and there must be made for the duration.

We must see that our expanding Army and Navy, fighting on many fronts, have all the food they need. Never again must be repeated that report from Bataan: "Lack of food proved our undoing." We must also see that our war-workers here at home have nourishing diets so they keep up production of the war machines for our armed forces. We must continue to send great quantities of food to our allies who are fighting side by side with us against the Axis. These demands alone are extremely large, but there are even more.

We must accept the responsibility of providing food for the people of the countries freed from the Axis. If we could visit Greece, France, Czechoslavakia, Poland—if we could see first-hand the horrors of hunger that follow Axis aggression, we would vividly realize the proportions of the post-occupation job we face. Germany has picked these conquered countries clean, leaving millions of starving people. We must get them food quickly whenever the military situation calls for it.

This is the job facing American farmers and their partners, the American food industry—a top war job that will try the mettle of both groups.

To do this job, food production all the way along the line must be placed on a war footing. In this war, with many fronts far from home, the production of manufactured food is on a level with manufacturing tanks, planes and ships.

An ample labor supply not only on farms but in processing and transporting food is absolutely necessary. Workers on farms and in factories producing the foods to feed our boys in Africa, in England, and Ireland, on Islands of the Pacific and in our own camps at home—who help feed the Russians who have battled these two years as valiantly as the men of any army in any war—who help feed the dogged soldiers and sailors of the British Empire and our other Allies—the workers of these farms and food factories are engaged in one of the highest forms of patriotic activity.

The policies of the Government must recognize this; the public must understand it—the workers should be told. Men—and the thousands of women who leave their homes to work in food plants, deserve praise equally with the men and women who are helping in other war activities.

We simply have to have our share of labor in the food business to get the job done.

And the war footing idea applies to more than labor, too. It applies to other essential elements of food production—to machines, repairs, equipment—with full recognition of the many other needs that compete for scarce materials.

The food industry has and will make sacrifices—and willingly, too. But, we must make sure that these sacrifices do not hinder production, with the result that our war effort is impeded.

Processors did a magnificent job this last year, turning out record packs despite mounting difficulties. As an example, let's look at the record of the fruit and vegetable canners. The average pack of the principal canned fruits, juices, and vegetables for the 1937-41 period amounted to 220 million cases per year. In the last year of that period, 1941, these packs totaled over 265 million cases, or about 20 per cent above the average for the period. This past year, packs from the 1942 fruit and vegetable crops are expected to total over 280 million cases—a record output which is over 25 per cent larger than the past 5-year average.

Production of quick frozen foods was about a third larger in 1942 than in 1941; the canned pork pack was well over twice as large as the pack of a year earlier; dehydrated vegetable production is five times greater than a year earlier.

Such production achievements show that the industry has been wide awake and very much aware of its wartime duty. Even so, we have not turned out any too much—in fact, there has not been enough in many instances to meet ever-expanding war requirements and civilian demand.

About a third of the canned fruit and vegetable pack was required to meet government war needs this year. Most of the 1942 production of canned meat is going directly for war purposes, nearly all of the canned fish, most of the dried fruits, considerable quantities of the quick frozen foods, and virtually all of the dehydrated vegetables.

These drains on our processed food supplies have been enormous, but they are going to be even greater next year. This adds up to the fact that, regardless of the size of the 1943 packs, there will be reduced supplies of practically all of the products available for the civilian trade. This does not mean that civilian consumers will not have enough food—it *does* mean that they will not be able to buy all they can afford of certain processed foods that must be used for shipping overseas. But we cannot overlook for one instant the necessity of providing ample food for our civilians who are working harder and longer hours producing materials of war. These supplies for the home front not only must be large enough to meet basic needs, but they also must be distributed fairly. It is going to require the fullest cooperation of everyone of us to do that job right.

I know that it is disappointing to you to have commercial outlets which you can't possibly fill. This aggravating condition is generally true in the non-perishable food fields today; and although this year's food production is the largest on record, the housewife is unable to buy all of the items she desires in the average grocery store. Despite the fact that many people are earning more than ever before and are in a position to buy things they've always desired, they will have to get along with less variety as time goes on.

But no American housewife is going to resent doing without certain foods if she knows that they are needed by our soldiers and sailors and marines. Nor is she going to be unwilling to forego luxury foods which no longer fit into our war economy—not if she stops to realize why it is necessary. All of us have responsibilities to see that she has the reasons for shortages honestly and quickly explained to her.

Only a week ago the President placed Secretary Wickard in complete charge of the Nation's war food program, vesting in him broad powers and responsibilities. Briefly—but not so simply—Secretary Wickard is charged with determining total government and civilian requirements and then formulating programs to meet these requirements. To facilitate this enormous and complicated job, the executive order provided for certain agencies in the Department of Agriculture to be consolidated into (1) a Food Production Administration, and (2) a Food Distribution Administration. These two administrations are in addition to the recently established Agricultural Research Administration. The Food Distribution Administration will, in general, have charge of the processing, distribution and procurement phases of the war food job.

The order also assigns the personnel, property and funds of the War Production Board concerned primarily with food production and distribution to the Department of Agriculture.

Under the order, the Secretary has the power to assign food priorities and make allocations of food to meet the various requirements, to insure the efficient and proper distribution of the available supply of food.

In other words, virtually all phases of our food picture except prices—from the time the seed is planted until the product appears on your dinner table—can now be brought into one coordinated program. It will be the Department's aim to simplify wherever possible—to avoid any more confusion, conflicting or complicated systems to the greatest possible extent. I believe that simplification is one of our greatest needs today.

After the farmers have produced all that is possible of war food raw materials there comes the problem of seeing that these products go into the most advantageous processing or distribution channels.

This calls for effective food management and it requires the close working together of growers, processors, distributors, and the government in seeing that the job is done in a wise manner that is fair to all concerned. To accomplish this, it will be necessary to issue conservation and reservation regulations, and rationing of such products for which the supply available to consumers is materially smaller than their demands.

Conservation orders are not new to the processing industry, as similar ones have been in effect during the past year for such products as canned salmon and dried fruits. Such programs are an efficient way for your government to meet its pressing food requirements, and I believe that, in many cases, they provide the most equitable method for the industry to provide for these needs. Certainly an allocation system, well planned in consultation with those to be affected, is better, fairer and more manageable than priorities. The priority-issuing systems seem simple and workable at first sight, but they bog down because they cannot be scheduled and become a system of unplanned shocks and surprises.

Regardless of the efficiency with which processed foods are managed, it is of little avail if sufficient raw materials are not produced. This is going to be a difficult job in 1943 and cannot be done successfully without the closest working cooperation between processors and producers in making arrangements for next year's farm production. It will be necessary, too, for the government to utilize all of its resources in helping to supply growers with the materials they need in producing these crops.

This time last year, it appeared certain that sufficiently large crops would be grown. Our job then, as we saw it, was to provide every possible inducement we could to insure that these crops would be processed. As time went on, with the consequent multiplication of labor and facility problems, some obstacles were found to all-out production, but the planting of the crops already was under way and our principal job still seemed that of helping the industry harvest and process to capacity. It is going to be very difficult for the processing industry to obtain the raw materials it needs to pack the supplies which must be produced in 1943. The new Food Production Administration under the leadership of Mr. Parisius is going to give you every help on that, and we are too.

Details of the Department's canning program for 1943 will be discussed later in your panel sessions, but I would like to outline it briefly. The program for next season will be based on about the same principles as those followed in 1942, but will be extended to more crops. The price support programs for peas and tomatoes, announced about a year ago, were effective in increasing the production needed for the current year. We will continue such programs for these two commodities in 1943 and shall also extend them to include snap beans, corn, beets, carrots, pumpkin and squash for processing, and cabbage for kraut. These support programs will not be limited to the canning outlet for these crops—they include the dehydration and quick freezing processing outlets too.

The grower prices for these crops are now being developed in consultation with State USDA War Boards and it appears that they can be announced probably by the middle of January. We hope to announce them at the earliest possible time because we realize the importance of early plans for contracting.

One of the basic factors in the success of the 1942 program was the certification of canners by the War Boards. This operated to stimulate a high production of acreage contracting between canners and growers before the planting season. Most of the tomatoes and peas were packed by certified canners who had the advantage of the announced price guarantees.

We strongly favor this contractual arrangement between canners and growers in 1943 because it enables the producer to make his plans in advance of the growing season. The grower thus is in a position to obtain the necessary seed and plants and other materials for the acreage he intends to produce. It assures him of an outlet when his crops mature. The canner is benefited because he is assured of the raw materials, and better able to plan his operations to make the best use of available facilities.

The farmer's situation is somewhat different this year. Fair prices to producers last year achieved the desired results, but it will take more than prices alone in the months ahead. Actual assistance will be required in addition to incentive.

One of the greatest problems faced by farmers is the shortage of labor. To aid growers in meeting this problem, the Department has developed a program including draft deferment of essential workers, the shifting of workers from less essential crops to the more essential war crops, the training and transportation of workers, and encouragement of the utilization of student and volunteer workers during critical harvest periods.

The Department has announced that other measures will be taken to aid producers in meeting the goals, such as assistance in obtaining fertilizer, machinery, and other production supplies.

The next step is the determination of what foods and what quantities are to be canned, frozen or dehydrated. Generally speaking, all branches of the processing industry—canners, dehydrators, quick freezers—compete for the same raw materials. It is up to the government to see that these raw materials are processed into the forms that contribute most to our overall program. For instance, if the need for *dried* peaches is greater than for *canned* peaches, then the fruit must be dried.

The new container limitation order, M-81, specifies the products and the amounts of tinplate which will be allocated for each. This determines, of course, the maximum quantities of each food which may be processed in metal containers. Final plans have not yet been developed with respect to the utilization of crops which may also be frozen or dehydrated. The Department is working on these problems now and will soon be in a position to announce programs for each of these outlets.

The Food Distribution Administration has a responsibility in the food program it will never take lightly. We are interested not only in the acquisition of large quantities of foodstuffs for Government and civilian requirements, but also in seeing that our whole agricultural marketing and distribution program is operated at wartime efficiency.

In coordinating our food production, it has become more and more evident that accurate, up-to-date information is essential. As the demands of war increase and difficulties of producing and processing become greater, the procurement of essential processed foods becomes less a problem of merely buying and more one of scheduling production and allocating output.

To help industry operate at maximum efficiency, and to provide information for the Government, the Food Distribution Administration has begun a comprehensive survey. It covers all plants in the United States that process by canning, freezing, dehydrating, or other methods, our fruit, vegetable and specialty crops. It includes the plants which manufacture preserves, jams, fruit concentrates, canned soup and dehydrated soup.

This survey, one of several to be conducted for the major food fields, will provide basic information to be put to immediate use in meeting our overall requirements. The data obtained will be used in obtaining a full and coordinated use of these processing facilities in our food program.

There are immediate and important uses to which this information will be put. The physical job of processing fruits and vegetables must be planned on the basis of facts. Production by areas must be coordinated with available processing facilities if needed supplies are to be obtained and if waste of food, transportation, and manpower is to be avoided.

In furtherance of the war program, an increased number of canners should consider the opportunities of devoting part of their plants to dehydration. The shortage of tin and steel, together with the great economy in shipping space to be obtained by dehydrated products, points to the necessity of maximum expansion of dehydrating facilities.

Vegetable dehydration is being built into a significant industry, one that will continue to be of some importance even after the war if the industry is soundly built. A year ago, we had 20 such plants with a total annual capacity of about 15 million pounds of dehydrated products. In the meantime, we have inaugurated a program to assist processors in adding dehydration. So far, the Department has approved the applications for plants that will have an annual capacity of over 100 million pounds by next summer. This is only a beginning. On the basis of anticipated requirements, we will need about 400 million pounds of dehydrated vegetables next year.

I strongly urge canners to participate in this expansion program. Because of their existing facilities and experience in food processing, they are the logical ones to step into this new program. It is likely that we will need at least 200 additional plants to bring production to the necessary level.

And now to our old saint and/or sinner—grade labeling. I've always thought there was too much emotion on both sides in discussion of it. I've thought too that canners and distributors are very responsive to a very old and unrepealed law called supply and demand. If consumers demand purple cabbage in cans—except in wartime when tin and steel restrictions intervene—canners will give it to them. And if consumers demand A, B, C on their cans or X, Y and Z, the canners will provide them.

Some consumers do demand grades, some don't. As far as peacetime is concerned, I believe consumers will be divided—perhaps sometime about equally. If that time comes, I'll bet that the half of the consumers wanting grade labeling will get it and canners will supply it with a smile, on the old, old theory that the customer is always right. If they don't demand it, they won't get it for very obvious reasons.

In peacetime, I'd say let's leave it to the consumer to decide. As you know, up to this time, grade labeling has been on a purely voluntary basis. An increasing number of canners are participating and an increased number of distributors are now labeling their products under Federal grade. We offer the service; no one is forced.

Now with war on, the Office of Price Administration is wrestling with the problem of identifying merchandise incident to making ceilings serve their laudable purpose of arresting inflation. I can see good reason under these circumstances for OPA's position that grade labeling is needed as a wartime measure. We will do the best we can, if it comes, to do a good, reliable job. In Paul Williams and his corps of processed food inspectors of the Fruit and Vegetable Branch we have an honest, hard working group of public servants who do their job well.

In closing, I want to refer again to the overall food job which Secretary Wickard has been assigned. He is able, a good organizer who is not afraid to delegate authority. He has a profound sense of responsibility. As his lieutenants on the processing, distributing and procurement side, we in the Food Distribution Administration will try to be fair, to act as promptly as possible and to fight for good, sensible food programs and the things necessary to make such programs realities. We want the cooperation of the food industries—not half-hearted, polite stuff—but the genuine article that gets issues settled, and food on its way to battlefronts, and to the firesides of homes here and abroad with our Allies. I know we will get that cooperation—and we will soon have our organizational structure ready to announce. We will have industry advisory committees—and not at Washington alone. We want to capture and put to good use the experience and horse-sense which the food industry has accumulated. That has been true in AMA; it will be true of FDA. We would be silly not to. The problem is to establish an adequate communication system. We think we have one in the making.

That will help, but it is not a solution of the chief problem—to get the best possible food job done that will most advance victory. To do that requires the kind of cooperation that gets results in the Solomons, in Africa, in Stalingrad—patience, unselfishness, wise leadership—and above all, teamwork.

ADDRESS BY A. C. HOFFMAN

"OPA 1943 Pricing Policy"

All of us, both you in the food processing industry and we in the OPA, have been through some pretty rocky times during the past year. There have been times when the whole structure of price control threatened to give way because of forces with which we were powerless to deal. There were times when we seemed to be tilting against windmills, when we did things which may have seemed to you not to make sense from your point of view. There was a good deal of bickering and not a little hot-tempered controversy.

But for all of that, we came through last season with two achievements against which nothing else matters: Under war-time controls, the canning industry made the largest pack on record; and that pack is now moving into consumption at a price increase over peace-time levels which is fractional compared with what would be happening without price control.

Today the OPA faces the future with a great deal more confidence in the future than we had a year or even six months ago. The break came with the President's Labor Day message and the Congressional action which quickly followed. We now have what we did not have before; namely, a legislative basis and an administrative set-up for greater stability of costs as well as of prices.

Another step welcomed by those of us in the OPA who have to do with food price control is the greater centralization of responsibility for food production and distribution in Secretary of Agriculture Wickard. It goes without saying that, in its administration of food price control, the Office of Price Administration will work closely with the Secretary and his staff. Leon Henderson wants it that way; and I think I express the sentiments of both the Department of Agriculture and the OPA staffs when I say that we look forward to close and harmonious working relationships. With respect to government policy for the canning industry for 1943, I do not think there is a single point on which we do not see eye to eye with Roy Hendrickson and the Agricultural Marketing Administration.

Today I want to outline for you as definitely and specifically as I can the policy and mechanics of price control which the OPA intends to follow for canned, dried, and quick-frozen fruits and vegetables in 1943. Price control for your industry in many important respects will differ from that under which you operated during the last year. When I finish today I think you will agree with me that it is better in all respects, both from your standpoint and ours.

I can assure you also that this year there will be no repetition of the delays, confusion, and 11th hour action which was, I insist, humanly unavoidable—given the circumstances under which all of us worked last spring.

By this time I think most of you know what OPA's general policy is with respect to the mechanics of food price control. In a word, it is this: For food processors, specific dollar-and-cents maximum prices, by grade and by regions where necessary.

We are swinging rapidly in this direction, and large segments of the food processing industry are already operating under this type of control. At the processor level there are now in effect specific dollar-and-cents ceilings for most of the fats and oils, beef, pork, potatoes, and turkeys. Just as soon as possible—at most, in a matter of weeks—all the formerly uncontrolled foods covered by the price freeze of last October—butter, cheese, evaporated milk, poultry, citrus, and flour—will be priced under schedules of this type.

We have known from the first that the "freeze" technic of price control represented by the General Maximum Price Regulation was far from perfect as a permanent regulatory instrument. We used that technic last May because it was the only kind of action which could be taken quickly for any broad class of commodities.

The advantages we see to the new types of schedules are these: First, they wash out all the inequities between individual firms which result when each firm is frozen to its highest price of a particular period. In an effort to take care of that situation, the GMPR provided, as you remember, for the adjustment of prices for individual firms when for any reason they appeared inequitable or unjust. That adjustment procedure proved administratively unworkable and unsatisfactory both from your standpoint and ours.

In this connection, the new schedules for your industry will probably carry no provision for the adjustment of prices of individual firms. If a flat price regulation is generally fair for an industry, every firm must be prepared to live under it without recourse to individual-firm adjustments. Any price adjustments to be made will be on a regional or industry-wide basis, and only then when the general situation requires it.

Another difficulty we had with GMPR was that it was not easy to enforce. You as processors were instructed to take your highest price in the base period for purchasers of the same class; and to continue customary allowances, discounts, and price differentials. In case after case, processors interpreted these clauses in such a way as to increase prices to distributors. A specific and uniform price ceiling ends all that and provides a more enforceable as well as a more equitable instrument.

Finally, the mechanics of price control must be flexible enough to provide for changes in price levels, either up or down. The freeze method of price control simply doesn't provide this flexibility. All of you know, I'm sure, of the endless confusion, particularly at the distribution level, caused by formula adjustments like those used last year for canned fruits; and we want no repetition of it.

Now let's get down to cases on the problems of your particular industry. The questions which I think are in your minds involve these problems: The level of canned and dried food prices in 1943, regional price differentials, grower prices and support programs, subsidies, wage costs in relation to the ceilings, container changes, and grades and grade labeling. I shall take these questions in that order.

The OPA would like to see processed fruit and vegetable prices held as near as possible to last year's level. But we realize that this will have to depend on the level of grower prices needed to call forth the production and, in a few areas, on the labor situation as it develops later.

You have just listened to Mr. Hendrickson of the Agricultural Marketing Administration who has outlined the present thinking of the Department of Agriculture regarding grower prices. He has indicated that moderate increases are to be expected in grower price levels for some fruits and vegetables for processing while for others there may be little or no increase. He has told you also that for some of these products the Department of Agriculture will have a support price program aimed at bringing out the highest possible pack.

Naturally the OPA will work closely with the Department in gearing the ceilings on the canned foods to the level of grower prices and the support price programs developed by the Department of Agriculture. I'm sure both agencies will be able to agree on the proper level of grower prices consistent with production requirements and the over-all stabilization of living costs.

As rapidly as the grower prices are agreed on, the OPA will use them in establishing the ceilings on the processed commodity. Where the Department institutes a support price program under which it stands ready to buy from canners at specified prices, we intend to work it out so that the ceilings and the support prices are either identical or in a fixed relationship to each other.

As to the question of whether or not ceilings will be put directly on grower prices of canned and dried fruits and vegetables, our present thoughts are these:

The OPA never moves to put a ceiling directly on the farm product unless the increase in the farm price threatens to jeopardize the ceiling at the processor level. For a number of commodities just that kind of situation has developed and a ceiling has been placed at the farm, as well as at the processor level. The Price Control Act requires the concurrence of the Secretary of Agriculture in a farm-price ceiling, so that any possible action along this line would be worked out jointly between the Department and the OPA.

The OPA sees no need at this time to put any ceilings directly on the farm price of vegetables grown for canning.

For some of the canning fruits grown on the West Coast, the situation may be different. Where the grower price of fruit, because of the fresh market demand or for any other reason, goes to the point where canners and driers cannot afford to handle it at proper prices, the only solution may be a grower-price ceiling. If it seems early this spring that such a situation might develop for some of the fruits, the OPA, in conjunction with the Department of Agriculture and the growers and canners involved, will try to work out an equitable ceiling on the grower price.

In setting the ceiling prices of a particular canned product, we expect to use regional differentials where these have customarily existed and where differences in raw material and labor costs are such as to require these differentials. We are going about the establishing of these regional differentials in this way. First, we have struck averages of the ceiling prices under which you operated last year, and are studying the regional price differences which existed. Next, we will modify last year's differentials in certain regions where the grower price or wage situation shows the need for it. Naturally we don't want to complicate the situation by an over-fine breakdown of prices by regions and we will strive for as much uniformity as possible. But we will recognize regional price differences where necessary.

Now just a word about subsidies in connection with the canning industry. The OPA sought the use of subsidy moneys last summer as an alternative to raising the price of certain canned fruits and vegetables because of increases in grower prices and wage costs to canners. When it was clear that such funds could not be made available, we could do nothing except to raise the price, and that increase is reflected in the price of these commodities now going through the retail store.

As the situation now shapes up and with the prospects good for holding canned and dried food prices to somewhere near the levels of last year, the OPA will not urge the use of subsidy moneys in this field. Something may happen to change the situation, but that is the way we in the OPA see it now. If any subsidy moneys were to be used, we would urge their payment directly to growers rather than to canners. We have gone over this whole matter of subsidy as it relates to the canning industry with Secretary Wickard's people, and I think all of us in the Government are agreed on this point.

A question which I'm sure is in all your minds is how any changes in wage costs will be taken into account in connection with ceiling prices for canned goods. At present none of us can be very specific about this, pending a clarification both of the general wage situation and of the procedure set up under Director Byrne's Office between the War Labor Board and the OPA for handling this matter.

As most of you know, the War Labor Board will have two types of cases brought before it involving wage increases. The first will be that in which an employer voluntarily petitions the WLB for permission to raise wages of his employees. The second type of case involves wage disputes between employees and employers which are referred to the WLB for settlement.

When an employer petitions the WLB for permission to increase wages, he will simultaneously have to file with the OPA a statement as to whether or not he would use the wage increase (if allowed by the WLB) as the basis for a petition to the OPA for an increase in his ceiling price. If the employer's statement is to the effect that he would not use the wage increase as the basis for a petition to OPA for a price increase, then the matter is of no concern to the OPA. If, however, he indicates that he would use the wage increase as the basis of a request for a price increase, then the OPA will indicate to the WLB and the Director of Economic Stabilization whether, in its (the OPA's) opinion, the wage increase would necessitate a price increase. If so, the OPA also will indicate whether or not it would recommend to make a price adjustment. Presumably Director Byrne's office will pass on important cases involving price increases. Naturally, I cannot presume to say what general policy will be followed in cases of this kind.

Earlier I indicated that the flat dollar-and-cents price schedules generally will carry no provision for the adjustment of prices of individual canners. This means that any changes in prices necessitated by wage increases or for any other cause will have to be made by amendment to such regulations on a regional or national basis. Naturally we will not change the level of canner prices over the whole country, or even in a particular region, on the basis of isolated wage increases paid by only a few canners. In other words, you must not expect relief as an individual canner because of a wage increase.

We frankly do not know how the wage situation under the ceilings will work out for the canning industry as the canning season approaches. Therefore we are taking the wages paid this year as the basis for our ceiling computation. If authorized wage rates depart from those on which these ceilings are based, we will have to look at the situation again later in the spring and make corresponding adjustments, since the profit allowed under the uniform ceiling will not permit absorption of a general area labor-rate increase. If a canner's wage rates are increased from a point below the area level up to that level, of course no adjustment will be made, since the uniform price is based on the standard rate. I should also like to caution you against any easy assumption that you can go out and raid the field for labor and expect the OPA to take care of you by a willy-nilly raising of your ceiling prices.

A moment ago I mentioned profits, and I want to say a further word about that. At the present time, we are studying your profits over the last year as a guide in establishing next year's ceilings.

Under any kind of price control, and particularly the formula technic used last year where each firm had its own base-period prices, profits are bound to vary widely between individual firms. I don't have to tell you that exorbitant profits will—and properly—call the immediate attention both of the OPA and of the public. In times such as these, your stockholders are not the only ones interested in your profit and loss statements.

Now the tin-to-glass question: You will be packing a good deal of food in glass next year, and it is a question of considerable importance to you.

The details of ceiling prices on glass-packed goods have not been finally worked out, but we will follow this general policy: It will be our aim to recognize the direct cost differences of packing in tin and glass. On the 1943 pack, practically no canned fruits and vegetables will be left under GMPR, so that the tin-to-glass provisions of that regulation will not apply. Under the new dollar-and-cents ceilings we will recognize differences in the actual cost of the container, in freight, and direct labor-cost increases, and of packing in glass as compared with tin. We have already obtained a good deal of data on what these cost differences are, and by the time the schedules are issued we will have more

For simplification we will use separate flat prices for tin and glass.

Finally, gentlemen, that jagged old pineapple—grading and grade labeling: For years the controversy has raged in terms of whether or not it was a reform measure. The OPA does not approach the subject from that standpoint. There are admittedly grounds for debate as to the desirability or necessity for grade labeling in a free economy, but we simply cannot take part in such a debate. Because grading and grade labeling best serves the interests of equitable, effective, and enforceable price control, it will be used wherever necessary in the food field. I want to tell you as fully and frankly as I can just why OPA takes that position.

In the case of canned fruits and vegetables, we feel that simpler and more effective price control will result from the establishment of uniform dollar-and-cents ceilings, f.o.b. the cannery, adjusted regionally and by grades. It immediately follows then that the price program must be related to standardized grades, for the protection of the canner, the distributor, and the consumer. On that basis, and only on that, our decision has been made. Our attitude toward grade labeling, academically, is absolutely impersonal—but we do believe that it represents the best mechanical means of carrying out our canned foods price-control program.

Fortunately, governmental standards are now in use and available for nearly all canned fruits and vegetables. These specifications, established and administered by the Agricultural Marketing Administration, will be incorporated by OPA in its price schedules. That has already been done in our schedules for beef, turkeys, dried beans, and potatoes and onions.

Officials of the Agricultural Marketing Administration have stated that complete inspection of the pack will be made by government graders. This, of course, assures that they will not have to grade at their own peril.

The actual terminology or grade description will be optional—either trade terms (such as Standard, Choice, or Extra Standard, and Fancy) or those used by the Government (such as A, B, and C) may be used. Since some overprinting will probably be required, especially in the case of present label inventories, we will have to give consideration in our schedules to such costs, both on the part of canners and private label distributors.

OPA naturally recognizes that, for the time being, there will be instances where the same grade of one commodity will command different prices in the retail store. That, however, has been frequently the case in the past and is completely outweighed by the fact that the use of grade labeling will assure canner, distributor, and consumer equitable treatment.

Furthermore, and I want to emphasize this very strongly, it is altogether possible—indeed it is quite probable—that sooner or later, the Office of Price Administration will supplement its margin control at the retail level by means of flat prices, by grade, by region, and by type of store. In that eventuality, it is self-evident that the grade will have to be on the label.

In the case of advertised versus nonadvertised brands, it is obvious that price differentials between such brands cannot be recognized, except on the basis of actual difference in grade.

This is again true from the mechanical standpoint and should not be construed as directed toward the curtailment of advertising. OPA's position in that respect has been thoroughly publicized by Leon Henderson.

Before I sit down, may I have your indulgence in behalf of OPA.

If we get out a questionnaire or send an accountant into the field to get data for a price schedule or the establishment of margins, we are adding unnecessarily to businessmen's woes; if we don't do that, we are sure to be accused by somebody of acting without the facts.

If we don't ration a commodity when a shortage begins to develop, we are slow and asleep at the switch; if we do ration it, we are a public nuisance because of the necessary inconvenience attendant upon any rationing program.

It is charged that the number and complexity of regulations affecting the average retailer is confusing and that is true. We are going to do something about that and we are going to do it soon. But the reason there have been so many regulations affecting retailers since the issuance of the GMPR is that it was necessary to raise March ceilings in order to relieve an inordinate squeeze on some of the very merchants who now complain about having to read those regulations.

We have made mistakes in food price control and we'll probably make more. We need criticism—sensible, unselfish, and constructive criticism. We have been getting a lot that doesn't fall under any of those headings.

I have not meant to direct what I have just said to you gentlemen or to the canning industry. Your industry has been extraordinarily patient, helpful, and understanding in our efforts to work out price control. We shall try to deserve that same helpful cooperation in the coming year.

ADDRESS BY DOUGLAS C. TOWNSON

"'Food Is a Munition of War'"

On December 7, 1941, little did we realize what an important part food was so soon to play in winning the war. War to America meant more guns, more planes, more ships, more tanks—faster and faster. With food warehouses bulging and a bumper crop year, extravagant America went her wasteful way with the idea of "business as usual" uppermost in her mind. The thought that this land of plenty could, within less than a year, face serious civilian shortages of essential foods was, on December 7, 1941, inconceivable. The food situation has changed so rapidly from surplus to deficit that too few people, both in government and out, realized its seriousness.

But on December 2, 1942, Donald M. Nelson, speaking in Washington at a meeting of the National Association of State Commissioners, Secretaries and Directors of Agriculture, declared he considered food production just as essential as the manufacture of tanks and airplanes.

It also is interesting to note that billboards, busses, and trolleys throughout the British Isles prominently carry posters, erected by the Ministry of Food, calling to the attention of all, in these words, "Food is a Munition of War—Save It".

What is ahead of us for 1943?

You know the manpower problems in your own plants—particularly those with seasonal peaks. Hundreds of thousands of men have left the farm to join the Army and Navy. Higher wages and steady employment in munitions plants attracts thousands more. Productive acreage is being abandoned—valuable dairy herds slaughtered. If we are to supply this country and our allies with food, it is imperative that the man who works in foods—whether it be growing or processing—must be made to feel that he is as definitely in his *country's uniform* as the man in the armed services.

Increased incomes and wages have greatly enlarged food demand. Food requirement figures for the armed forces are sharply rising. Their stores of food must be cached and supplied in every part of the world. Lend-lease needs are limited only by the amount of available shipping space. The brilliant North African invasion vividly demonstrates that America will need to use her food "arsenal" and share with impoverished countries released from bondage by the success of Allied arms. Just figure the nutrition needs of Greece, Yugoslavia, Egypt, Norway, Denmark, Belgium, Holland, and yes—France.

You are only too well aware of the shortage of critical metals and rubber—causing curtailment of containers and in some cases reorganization of manufacturing facilities or conversion to other products. These same shortages have drastically limited the manufacture of processing equipment—and to an extremely serious degree, the production of farm machinery and even labor-saving tractors.

Again, who can predict a better than normal crop year for 1943—with always the possibilities of regional drought, abnormal heat or early frost—as against the bountiful harvests of 1941 and 1942?

Happily the submarine menace seems to be lightening—but the need for ships to serve our armed forces in all parts of the globe and to take care of Lend-lease obligations is curving sharply upward. Some ships may be able to use return cargo space for import foods—sugar, coffee, tea, spices—but at the moment the outlook for the increase of these import items does not seem encouraging.

Domestic transportation and distribution problems are tightening—whether it be the motor truck of industry, farm, or local distributors. Railroad facilities in both car equipment and locomotive power are being severely strained—causing studies of increased loadings, cross haul and essentiality of transported products.

These briefly mentioned factors are the inevitable causes of a rapidly approaching food crisis and call for a coordination for overall planning of the many government agencies involved with food production, processing and distribution.

On December 5, an executive order set up a Food Administration under the Secretary of Agriculture. I know that I do not need to appeal to you to offer Secretary Wickard your active cooperation and support in the huge task he is undertaking—for you are a very large segment of a vital industry charged with the responsibility of feeding the citizens of the United States—the armed forces and vast civilian populations beyond our shores.

The Food Division of the WPB to a man, backed by a year's experience of industry and Government background, is assisting and cooperating with Secretary Wickard and Roy Hendrickson in setting up the Administration, particularly in the processing and distribution fields.

Within the Food Division, working daily—and often nightly—in either the Sections or as Consultants, are men who have spent their business lives in canning, preserving and the newer sciences of dehydration and freezing. These are men well known within these industries:

Merritt Greene—Able Chief of the Canned Foods Section.
Ralph Arnold—Chief of the Distribution Control Section.
John L. Baxter—First canner drafted to government service.
"Herb" Krimendahl—Former National Canners' Association president.
George C. Scott—Consultant in Canned Foods Section.
Wayne Meschter—Chief of the Preserves Unit.
Harry Amenta—Chief of the Dehydration Section.
Dick Juhnichen—Chief of the Frozen Food Section.

only to mention a few.

But the canners' Army-Navy "E" for 1942 should go to "Woody" Meyer, Assistant Director of the Food Division, with his untiring, cheerful, clear, and intelligent understanding of canners' problems.

As we come to the close of the year, may I here express the gratitude of the Food Division to the many of you who are among the members of our 46 Industry Advisory Committees for coming often to Washington on call; advising with us and, happily, under the new interpretations of the regulations, can now be legally taken more into the confidence of government thinking. And, above all, our thanks to Frank Gorrell who continuously brings to us sympathetic understanding of our problems, greatly helps us with intelligent advice and loans us for hours at a time that most useful and helpful, Carlos Campbell.

ADDRESS BY BRIG. GEN. WILLIAM C. ROSE

"Manpower for Food Production"

It is my purpose to give you a brief picture of the general manpower situation and two particular aspects thereof.

Early in the spring of 1940 it became evident that labor and industry were going to be called upon for a tremendous effort to prepare our country for war. At that time we had about 500,000 workers in our war industries, whereas England had 4,500,000 and Germany had nearly 12,000,000. The expansion necessitated by our defense program meant the induction of millions of new workers into defense production lines, as well as the transfer of millions from peacetime occupations to jobs in war industries. At that time the manpower problem was relatively simple in view of the fact that we had 7,500,000 to 8,000,000 unemployed, many of whom possessed the skills needed by expanding defense industries.

With Pearl Harbor, the tempo of the whole defense program changed to one of war. On January 6, the President announced a war production objective for 1942 of 60,000 airplanes, 45,000 tanks, 20,000 anti-aircraft guns and 8,000,000 tons of shipping and in addition many other items of military equipment. Next year's goals will doubtless be even higher.

In June, 1940, there were 48.1 million people in civilian employment and the armed forces. In October, 1942, this figure had grown to about 58.3 million. By December of 1943 it is estimated that this number will be further increased until there are 62.5 millions in the labor force, including those in the armed forces.

This represents a great change in the manpower picture from December, 1941. Even then there were still 3,900,000 unemployed. We will be fortunate if 500,000 more people can be squeezed out of the present unemployed pool of one and a half million for normal turnover and those who are unemployed will always leave us about one million out of work at any one time.

The President announced recently that the number of men in the armed forces will be increased from a present estimated 5.9 million to about 9.7 million by the end of 1943 or early in 1944. The President stated that the Army would increase from a present 4,500,000 to 7,500,000; the Navy from 1,000,000 to 1,500,000; and the Marine Corps and Coast Guard from 400,000 to 700,000.

It is estimated that the number of persons employed in war work will increase from 17,500,000 to 20,000,000 during 1943. A large proportion of this 17,500,000 were inducted into war activity by conversion of the firms where they were employed. The 2,500,000 new workers required in 1943 will have to be actively recruited from the less essential industries or from persons who are not now a part of the labor force. In addition, as I have just pointed out, some 3,800,000 more men will be withdrawn from the labor market for military service. Almost all of them will have to be replaced by other workers. A great many of these men for the armed forces must come from industries with war contracts.

We cannot raise almost 10,000,000 men for the armed forces without cutting drastically into the male labor force. War contractors will lose just about as many men to the armed forces during 1943 as they have hitherto lost all together. We cannot prevent this loss, but we can plan for replacement. The recruitment of the new workers required for war work and the replacement of those called to the military service will be a harder job than we have yet had. It is estimated that 9,000,000 non-agricultural workers will be put in new jobs during 1943. This figure does not include normal turnover from workers changing jobs within the same industry. It does include new workers needed by industry, and replacements required due to inductions into the armed forces and due to death.

We need not face this situation fatalistically. The Federal Government has done much to prepare for this impact. In April

1942, the President established the War Manpower Commission "for the purpose of assuring the most effective mobilization and utilization of the National manpower." It was created to provide the machinery for making certain that the manpower we need for war activities is available when and where it is needed. Through this Commission all the agencies of the Federal Government, working closely with representatives of management and labor, are developing and maintaining coordinated manpower policies and programs on a voluntary and democratic basis. It does not replace or duplicate any of the existing procedures which are being conducted by other government agencies concerning collective bargaining, mediation, and the settling of labor disputes.

The agricultural labor problem presents one of the most striking paradoxes with which the War Manpower Commission has as yet been faced. Only two years ago there were vast reserves of unutilized manpower on the farms and in rural areas. Plentiful supplies of labor were available too often at wages insufficient to maintain decent minimum standards of living.

The war has changed all of this. There are those who say we must take a realistic view and accept the fact that plans for food production must be limited in view of the manpower that will be available to agriculture next year. We have emphatically refused to accept this counsel of despair. True, it was with great difficulty that farmers found the workers needed to harvest this year's bumper crops. But they were harvested. Nowhere have we been able to uncover evidence of any important crop loss due to manpower shortages. On the contrary, not a single basic product of the farms was produced in less quantity this year than last. Vigorous action is being taken to achieve our food production goals for 1943. They can and must be met.

Fundamental to the solution of the agricultural manpower problem is the establishment of fair rates of pay for farm work. The wide differential between earnings on farms and earnings in alternative occupations is one of the primary reasons for the heavy movement of workers out of agriculture into industry.

I think that much can be accomplished to raise farm wages. This year, the Department of Agriculture reports that despite increases in farm wages and other farm costs, net farm income is the highest in history; three billion dollars greater than in 1941 and more than double the average net farm income over the five-year period 1936 to 1940. These figures provide hope that substantial wage adjustments can be made which will help to keep needed farm workers on farms, and attract new workers next year.

Careful direction of the movement of seasonal workers through the War Manpower Commission will save much time now wasted in traveling. Funds will have to be provided to pay transportation of tens of thousands of workers next year if they are to be at the right places when needed. These measures will permit us to get along with fewer farm workers than would be required without an orderly recruitment and placement through the Employment Service.

Even during 1942, manpower on many farms has been only partially utilized. Low income farms often fail to provide adequate opportunities for employment to operators and family workers. Pools of surplus farm workers have remained in some areas because of transportation difficulties, inertia, and the absence of wholly adequate employment service facilities to direct those people to areas of labor shortage.

Plans are being made by the War Manpower Commission in collaboration with the Department of Agriculture to provide labor for record agricultural production in 1943. The program is being worked out in detail and will be ready for launching as soon as Spring planting begins.

The program includes:

Full-time continuous employment of mobile groups of experienced farm workers, transported at government expense from one area to another as the crops mature.

Relaxation of legal barriers which now restrict the complete mobility of labor between States.

Transfer of experienced farm operators and workers now on substandard lands to productive areas of labor demand.

Expansion of the U. S. Employment Service farm placement machinery for direction of farm labor movement and full scale mobilization of local volunteer groups.

Adjustment of farm wages to bring the income of farm workers more nearly into line with those of industrial workers.

A farm labor training and management program, now being developed by the Department of Agriculture and the U. S. Office of Education. This will aid farmers to make the most effective use of the fewer number of experienced workers through expert supervision, training, and upgrading.

Employment of additional women in agriculture. Of farm workers employed in December 1941, 500,000 were women. By the end of 1943 it is expected that an additional 300,000 will have entered agriculture, making a total of 800,000 women employed on American farms.

Next year's farm-labor problem will be critical. Increased Lend-lease shipments, the growing size of our Army and Navy, and America's pledge to feed the half-starved populations of countries freed from the Nazi yoke, will make tremendous demands on our farms. We must produce *more* food than ever before. We will have to produce it with *less* labor.

Our experience during 1942 proves that we can do it. In the five months from June through October of this year, more than 2,500,000 farm placements were made by the United States Employment Service. This represents 75 per cent increase over the record of the same five months in 1941. Despite transportation shortages, nearly 12,000 farm workers were moved under a joint Farm Security Administration-Employment Service Program from one area to another to meet emergency demands for seasonal labor. In many parts of the country whole communities turned out to harvest perishable crops. And many farmers cooperated by raising wages, providing transportation and housing, and by hiring inexperienced people.

Under a plan for hiring domestic and foreign farm labor, Mexican workers were provided for the California sugar beet harvest, Chicago workers for the Yakima Valley apple orchard of Washington, and Kentucky workers for sugar beets in Michigan and fruit and vegetable farms along the Atlantic Coast.

This plan can work well everywhere if all parties abandon special interests and concentrate on getting the necessary crops in. If it does not work, however, we will have to try something else. Farmers may be certain that the Government will take whatever steps are necessary to assure enough labor for 1943's record agricultural goals.

Further protection to agriculture is afforded by the Tydings amendment to the Selective Training and Service Act, which provides that farm workers who are necessary to and regularly engaged in essential farm production shall be deferred until satisfactory replacements are available and shall not be permitted to leave for other work unless it is in the best interest of the war effort to do so. This amendment has significant implications which affect not only the number of persons who will leave agriculture but the kind of workers who will leave. It applies, however, *only* to regular farm workers, that is, operators and hired hands and *excludes* seasonal workers.

This development changes the outlook for next year significantly. It assures the retention for farm work of an essential minimum force of trained, experienced workers. The big problems ahead are now in the field of training new recruits and mobilizing an adequate force of seasonal workers for peak operations next summer and fall, plans for which I have previously commented upon, and in seeing to it that farms which have labor available produce to capacity.

Thus far, any discussion has largely centered upon the problem of agriculture from which, of course, you draw the foodstuffs which you process. We should now consider the effect of the continuously tightening labor market upon your own activity. As stated earlier, the requirements of the armed forces in the calendar year 1943, will certainly not be less than in 1942; in fact, they will probably be greater. Also these men must be physically fit and measure up to the requirements of the armed forces. Some of them—probably too many from your way of thinking—are coming from your industry, so the question arises as to the action to be taken to facilitate their withdrawal so that your operations, so essential to the war effort particularly, and the national welfare as a whole, will not be unduly disrupted.

We propose that you realistically inventory your personnel requirements to make sure just how many workers you need and just what skills and physical and other characteristics they require.

Inventorying stock requirements is an old story to your industry. You no doubt have been making inventories of this type for years, and based on stocks on hand, orders secured and anticipated, have been calculating your requirements and planning accordingly.

Too little attention, however, has been paid to the personnel necessary to convert these stocks into finished products. This inattention may be attributed to such factors as: An easy supply of skilled workers trained without any special effort; the practice of hiring unskilled men who through years of observation and work as helpers go successively from unskilled to semiskilled and from semiskilled to skilled employees by whatever system the company follows, This leisurely procedure is no longer possible, for we are now confronted with a manpower shortage not only in all-over requirements, but more particularly in various and sundry special skills. Some industries and individual plants in other industries appreciate this fact and have already started to put their houses in order. But this realization is not common to all, so the War Manpower Commission, charged with the responsibility to "estimate the requirements of manpower for industry, review all other estimates of needs for military, agricultural, and civilian manpower; and direct the several departments and agencies of the Government as to the proper allocation of available manpower" set about to remedy the situation. We found that an analytical inventory of the personnel requirements of essential war industry and of activities essential to the civilian welfare was indicated and have evolved what we call the Manning Table Plan to fill the need. With the Plan as a basis, Selective Service has been able to develop a system of orderly withdrawals of workers from essential industry and activities to meet the requirements of the armed services without unduly impairing the war effort.

Briefly, a Manning Table is a listing of the personnel requirements of an essential war industry or plant within the industry, according to job classification. Each job is individually evaluated and classified according to the technical skill, training and experience required to fill it. After the jobs are classified, the number and type of personnel required is determined, as is their relative value to the plant's or activity's productive effort. The Table is to be so arranged as to point out the opportunities for training and upgrading within the activity; also for each job, whether women or physically handicapped persons can be used, and for males now employed, the selective service liability if any. This information forms a convenient guide for management in securing and training personnel replacements.

The Tables will be kept current by periodic review and by special review at such times as the personnel requirement picture of the activity is substantially changed, as for example an increase in, or cancellation of, war contracts, etc.

We ran pilot tests in several places. Perhaps the best known were in the State of New York, in certain divisions of the Eastman Kodak and Bausch & Lomb Companies at Rochester and of the General Electric Company in Schenectady. Other tests were made at the Schenectady Plant of American Locomotive Company, the Koolsman Plant of the Square D Company, Elmhurst, L. I., and the Briggs Company of Detroit, Michigan. The Iron and Steel Institute as a whole, and the Carnegie-Illinois Steel Company in particular made studies of the proposal and did considerable development work along the line of evaluation of jobs covering the entire steel industry. The United States Employment Service conducted experiments and prepared analyses of various plants to determine the best manner of handling the evaluation of personnel requirements. All these materially contributed to the final plan. Discussions were thereafter had with a sufficient number of representatives of various types of industry to convince us *and them* that what we have is a practical and distinct improvement over any system as yet developed for determining individual and overall personnel requirements.

Personnel requirements as submitted will be reviewed, modified if need be, and accepted by representatives of the Commission and the Selective Service System. They will then form the basis for future determination as to the plant or industry's personnel needs. The War Manpower Commission's training agencies see in these Tables an opportunity to advise industry as to upgrading, training and job-breakdown problems. It will furnish indications to the United States Employment Service as to future labor needs since, as previously stated, we will call for periodic estimates covering a six months advance period and for a statement of overall requirements. From the Selective Service data that the Table develops, we find that management can promptly determine whether too many of their skilled employees are vulnerable from the Selective Service viewpoint and what steps are necessary to correct the situation. A means of remedying such a situation is being provided in the form of "Replacement Schedules," which are to be drawn up by industry and presented to the State Director of Selective Service in which the plant or activity is located. When accepted by the State Director, these schedules will provide for the orderly withdrawal of those men who should be released to the armed services in such numbers and at such times as will permit management to secure and train replacements from those not liable to Selective Service.

Individual requests for deferment from Selective Service on their Form 42A will still be submitted with a stamped notation thereon that the individual concerned is to be replaced under an approved replacement schedule and an indication that a request for deferment for the time stated is considered justified. We have reason to believe that this will secure a much greater uniformity in the granting of deferments than has been achieved before. Should there be any outstanding evidences—or unusual cases—of non-cooperation on the part of a particular local board, or in a particular territory, we feel that the Selective Service can very readily adjust the difficulty by explanation to the board concerned, or by resort to the appeal machinery.

As finally decided upon, industry will prepare the Tables in accordance with detailed instructions and on forms to be provided by the War Manpower Commission. Initially at least the making of Tables will be voluntary and confined to activities, manufacturers and establishments whose work is at least 75 per cent devoted to the war effort, and to essential activities and industries such as public utilities, railroads, etc., whose essentiality to the war effort is obvious. Determination in each case as to whether a plant or activity may use the Manning Table Plan will be made by WMC Regional and Area Directors, having in mind the foregoing criteria.

I have frequently been asked why the Manpower Commission has not made the plan applicable to so-called non-essential industry. Here are two reasons: First, there is the very practical one that we have not sufficient field personnel to evaluate such tables; and, secondly, since the making of a Manning Table is optional and its development reveals, among other things, sources of supply for manpower, we felt that the nonessential industries would not be interested. Notwithstanding this, we are convinced that non-

essential industry would be well advised to make a searching and realistic evaluation of their personnel requirements to the end that they may gradually replace, by others not liable, those of their employees who are subject to call under the Selective Service act. Of course, if the needs of the armed services continue to expand, as will probably be the case, and if manpower requirements of essential industry continue to increase, which they will, the time may soon come when even such a correction of their personnel requirement pattern will not make them immune from our recruiting efforts, which is still another reason why we have not suggested our plan to this class of industry.

Those of you who are interested in looking further into the Manning Table Plan and the Replacement Schedules can secure full information from the nearest regional office of the War Manpower Commission and, with respect to the Replacement Schedules, your State Director of Selective Service.

Anyone wishing to participate in the Manning Table Plan must fill out an application on WMC Form No. 500 which is obtainable from any of the following Regional Areas of the War Manpower Commission.

Region I—Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Massachusetts; Regional Director, WMC, 10 Post Office Square Building, Boston, Mass.

Region II—New York State; Regional Director, WMC, 11 W. 42nd St., New York, N. Y.

Region III—Pennsylvania, Delaware, New Jersey; Regional Director, WMC, 1634 Widener Building, Philadelphia, Pa.

Region IV—Maryland, Virginia, West Virginia, District of Columbia, and North Carolina; Regional Director, WMC, Room 405, Arlington Hotel Building, 1025 Vermont Ave., N. W., Washington, D. C.

Region V—Ohio, Kentucky, Michigan; Regional Director, WMC, 521 Union Commerce Building, Euclid Ave. & E. 9th Street, Cleveland, Ohio.

Region VI—Indiana, Illinois, Wisconsin; Regional Director, WMC, Bankers' Building, Room 600, 105 West Adams Street, Chicago, Ill.

Region VII—Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee; Regional Director, WMC, Lullwater Building, 441 W. Peachtree, Atlanta, Ga.

Region VIII—Minnesota, Iowa, N. Dakota, S. Dakota, and Nebraska; Regional Director, WMC, c/o John T. McCullen, Regional Representative, U. S. E. S., Federal Office Building, Minneapolis, Minn.

Region IX—Missouri, Arkansas, Kansas, Oklahoma; Regional Director, WMC, 414 Dierks Building, 1006 Grand Avenue, Kansas City, Mo.

Region X—Texas, Louisiana, and New Mexico; Regional Director, WMC, 14th Floor, Petroleum Tower Building, Dallas, Tex.

Region XI—Montana, Wyoming, Idaho, Utah, and Colorado; Regional Director, WMC, 246 Equitable Building, Denver, Colo.

Region XII—California, Arizona, Oregon, Washington, and Nevada; Regional Director, WMC, 245 Furniture Mart Building, San Francisco, Calif.

ADDRESS BY FAY W. HUNTER

"Functions of the U. S. Employment Service in Recruitment and Placement of Labor to Handle Peak Periods Of Harvesting and Processing"

In 1943, agriculture, together with that section of industry which cans, freezes, and otherwise processes agricultural products, faces the problem of increasing production and yet operating with a diminishing supply of experienced labor. Our problem is further complicated by the fact that certain agricultural commodities are now designated as "non-essential" and labor will be assigned to such crops only when the labor requirements of essential crops have been satisfied. The canning and processing industry will be asked to further alter its packing practices to conform to military requirements and at the same time supply the minimum needs of our civilian population. We realize that this necessary gearing of production to our war effort means adjustments in our thinking and planning as well as in our conceptions of labor supply and recruitment.

The experience of 1942 encourages us to believe that we can make these adjustments and yet meet the goals of production which have been established. At the beginning of last season, your industry found itself thrown into a production situation for which you had little opportunity to set your house in order. You were asked to develop new methods of operation, to accommodate your production pattern to military requirements, and to train workers to replace those lost to the war effort. Your record in this endeavor speaks for itself. We know that no appreciable amount of food was lost by failure of the processing industry to meet the responsibilities imposed on it. We believe that you will repeat in 1943.

The war emergency has forced on us a new conception of the nature of our national labor supply. In normal periods of our economic life the relationship between labor supply and demand in industry as well as agriculture becomes somewhat fixed in character. We were accustomed to think of labor as flowing in rather well-defined occupational channels. If a worker was engaged in the production of steel it was assumed that he was likely to continue as a steel worker. In the same manner, we believed that the 11,000,000 workers in agriculture constituted a rather definite segment of our national labor pattern. We have come to realize that our total labor force is much more elastic, more versatile in its abilities, than we had previously believed. We have found, however, that workers do not necessarily remain in an occupation because of a personal preference for that type of employment, but that rather they market their skills and talents in that labor market which currently offers the most attractive wages and working conditions.

The force of approximately 11,000,000 men and women who were customarily engaged in either full time or part time agricultural employment sustained a loss of several hundred thousands to industry and the armed services. Much of this loss involved the so-called seasonal agricultural workers whose services are so essential to the harvesting and processing of fruits and vegetables. Yet after this shrinkage of labor supply, agriculture and the processing industry were able to establish a favorable record in caring for the 1943 crop. The question then arises—From what source were the workers recruited to replace those who had been drawn off into other activities. We know that a very large percentage of them were individuals who previously had relatively little experience in agriculture or processing and whose ratio of productivity was low at the beginning of employment. We also recognize that the utilization of this labor involved a heavy additional supervisory burden on both producers and processors. However, the situation did demonstrate that there are potential sources of recruitment awaiting only proper exploration and development.

Out of this situation we have developed a somewhat changed picture of our total labor resources. We have found that they are more flexible and adaptable to changing conditions than we had previously believed. We know that it is possible in emergencies to develop, with proper supervision, the skills necessary to many activities by the use of supervised training.

The fact cannot be disguised, however, that our total resources in manpower have been materially decreased and that this process is likely to be accentuated until the termination of hostilities. More and more demands will be made on our manpower by the armed services. Likewise, there will be greater drafts of workers to produce the munitions and equipment needed by our men in military training and in service at the front. We are forced to seriously consider the most effective use of that element of manpower which is left to us and of developing such unused labor resources as are available in our communities regardless of prior training or ex-

perience. No community can be permitted to hold out as a reserve for contingencies, labor which is unemployed but can be utilized elsewhere. Certain "essential" agricultural crops will be given priority as regards labor. Certain canning and processing activities will likewise be designated as essential and will receive first consideration in the distribution of manpower. One of our problems, therefore, for 1943 is to determine first, in what activities manpower will be needed, and second, the minimum amount of labor which will be needed to effectively carry on that activity. The United States Employment Service of the War Manpower Commission as a recruitment agency will be responsible for collecting the information as to the need for labor in agricultural production and for determining sources from which labor may be drawn, the number of workers who are available, and the skills which they possess. Agriculture in both the production and processing fields will be expected to spell its manpower requirements in terms of minimum need and to schedule its operations so as to make the most effective use of the labor available. You may choose to call this "rationing" or "allocation." In effect it is an equitable distribution of labor to those employers who are designated as essential contributors to the war effort.

The record of agricultural placements reported in 1942 provides a standard by which further accomplishments may be predicted. For the period January 1 to October 31 of the year 1941, a total of 1,806,351 placements were made in agricultural activity. In 1942, however, with a more limited labor supply, the total of placements made in the same comparable period was 2,891,527 or an increase of 60.1 per cent. The relative increase of placements in industry during the same period of 1942 was 25.1 per cent. We draw from these figures the conclusion that even with diminishing supplies of labor, aggressive recruitment methods will produce workers from sources which are not drawn upon in normal times.

We regard the recruitment problem in 1943 essentially as an effort carried out on a community basis. The labor requirements involved in the production and processing of agricultural commodities are of a relatively seasonal character having peak periods of labor demand of but relatively short duration. Labor in most cases cannot be moved any extended distance for employment of this kind unless the employers are willing to guarantee certain costs of transportation as well as a minimum of continued employment. These requirements, we realize, would be rather difficult for many processors to comply with. Our recruitment plans, therefore, center about the most complete utilization of the labor in the community or area in which processing activities are carried on. On the basis of our 1942 experience, we believe that by proper planning and utilization of labor by the employer, and active recruitment by the United States Employment Service, we can substantially meet your labor requirements. This program will involve a high degree of cooperation on the part of both employer and the United States Employment Service local office. As far as possible, orders for workers should be premised on minimum requirements and on a schedule that will permit labor to be employed as continuously as possible. As we have stated before, industry and agriculture will be faced with the problem of operating on minimum labor supply. We feel sure that the planning which carried the processing industry through 1942 will provide the degree of cooperation which we believe will be essential in 1943.

At the present time plans are being developed for the utilization of in-school youth for agricultural and processing operations. Three agencies are cooperating in the development of this program. The United States Office of Education will provide such pre-employment worker training facilities as may be practicable under the circumstances. The Extension Service of the United States Department of Agriculture will supervise the employer-employee relationship and will also provide certain on-the-job training facilities. The United States Employment Service will determine: (1) the need for the employment of in-school youth, (2) the recruitment and placement of such workers, and (3) the necessary arrangements for their transportation. The purpose of this program, in its entirety, is to more effectively recruit, distribute, and utilize this type of labor.

The United States Employment Service also is planning the most complete recruitment of local labor for agricultural and food processing purposes. These sources include: (1) regular agricultural workers who may be rotated in crews between employers, (2) other workers who may be partly employed in other industries and who are available during periods of vacation, out-of-working hours, and on holidays, (3) unemployed townspeople, including housewives, who can work full time during an emergency, (4) employed townspeople and business people who are available for part time employment during an emergency.

The success of such a program involves publicity and the bringing home of our national food situation to every available worker in the community. It means the enlistment of every governmental agency and private organization which can contribute to the effort. It involves an appeal to the patriotic motives and public spirit of persons who ordinarily would not assist in the harvesting of agricultural crops. This involves a considerable degree of planning in detail and endeavor in which we assure you the United States Employment Service will make an adequate contribution.

We assure you that the United States Employment Service will give its fullest cooperation to employers in this industry and that every effort will be made to supply your labor requirements. In many respects we believe that we are better equipped to give assistance in 1943 than we were in 1942. Our operating personnel has a better knowledge of your labor requirements and a closer contact with available sources of labor than we possessed in 1942. Our people are aware of the vital part which you are playing, behind the lines, in full time production and they desire to facilitate your operations in every possible manner.

The solution of our mutual problems with respect to labor has developed a relationship which, I personally assure you, is most highly regarded by those who are administratively responsible for the operation of our agency. Through our participation in the solution of these difficulties, we have come to appreciate better the vital role which you are playing on the present stage of this all-out war. We can more completely realize the correlation of thought and action which must prevail among all elements of our civilian army if the major objective of winning this war in the shortest possible time is realized.

Preservers Activities At Conference

Preservers were among the four important groups of food processors at the Conference. They took part in joint panel discussions with freezers, and members of the National Preservers Association held their annual business meeting during the week.

Government men indicated that the Army and Navy would be interested in procuring about 300,000,000 pounds of preserves, jams, jellies, and fruit butters next year and that Lend-lease would likely procure 60,000,000 pounds. C. P. Kolstedt of WPB indicated that the new container order for these products would permit the use of a few more needed sizes. John Gismond and Reed Dickerson of OPA presented an outline of future price regulation for the industry, indicating that adjustments probably would be made accounting for increased costs of 1943 fruit.

At the N.P.A. business meeting, preservers heard Fred Meyer and Major F. G. Cosmen, of the Quartermaster Corps, urge them to make more offers of goods to Army buyers. Officers named for 1943 are W. E. Smucker, president; R. L. Glaser, vice president; W. A. Barnes, secretary-treasurer, and M. L. Walde, business manager.

PRESIDENT SETS FARM MOBILIZATION DAY

Calls For Discussion of Methods Of Obtaining Maximum Agricultural Production

Recognizing that "food is no less a weapon than tanks, guns, and planes," President Roosevelt has proclaimed January 12, 1943, as Farm Mobilization Day. The Proclamation, signed December 16, asks farmers to meet, wherever possible, on January 12, with representatives of the Department of Agriculture, extension service agents, vocational teachers, State officials, farm organization leaders, and others concerned, in order to discuss ways and means of insuring maximum production in 1943.

To give Farm Mobilization Day the widest publicity, the Department of Agriculture is completing plans for a national radio address by a speaker who has not yet been selected, and during the period December 26 to January 9 the County War Boards will appoint County Farm Mobilization Day committees, consisting of farmers and community leaders. These committees will arrange for local publicity.

Also during this period each farmer will be asked to fill out preliminary farm plan sheets indicating the proposed operation of the farm in 1943. The farm plan sheets will request the farmer to state his fertilizer, machinery and machinery repair, and labor requirements. He will be asked in particular to indicate any individual hardship which he may face because of Selective Service.

On Mobilization Day, the Department has announced, the actual process of signing up farmers for 1943 production will begin. Where the preliminary farm plan sheet shows an emergency condition to exist, such as an immediate draft problem or a critical need for machinery, the sheet is to be marked "urgent". Whatever the case of the urgency, the County War Board, and if necessary, the State War Board, is to use its influence in solving the farmer's problem. The Farm Mobilization Program is scheduled for completion by March 1.

AMA Issues New Export Case Specifications

New export packing specifications covering solid fibre boxes, weatherproof solid fibre and weatherproof corrugated fibre boxes, full telescope fibre box for meat products, wire-bound wood boxes, and nailed wood boxes have been issued by the Agricultural Marketing Administration. These specifications (FSC-1742-B) supersede those contained in four previous announcements of AMA and Federal Surplus Commodities Corporation requirements.

Certain types of the new specifications are specially designated for canned foods. Copies of the new specifications are included in AMA announcements of purchase programs that are sent to interested vendors. Existing stocks of export boxes on hand or under contract that conform to the previous specifications will be accepted by AMA and FSCC until exhausted.

Next Issue of the LETTER

Because of the Christmas holiday, there will be no December 26 issue of the INFORMATION LETTER. The next issue will be brought out during the week ending January 2, 1943.

Buying Canned Foods for Federal Agencies

Canned foods will be purchased for the Army and other government agencies in 1943 by the same method as that employed this year. Howard Hamilton and members of his staff are being transferred from the War Production Board to Agriculture, but they will continue to direct the force of buyers negotiating with canners for food for Federal agencies.

PACKERS' PRICES FOR APPLE PRODUCTS

Formula Changed Where Glass Containers Have Been Substituted for Tin

Bringing a number of new apple products under specific regulation at the processors' level and changing the pricing formula where glass containers have been substituted for tin, the Office of Price Administration on December 19 revised the maximum price regulation covering dried and canned apples and apple products. The increase will have no immediate effect at retail.

Vinegar stock, hitherto under the General Maximum Price Regulation, is now covered by Revised Maximum Price Regulation 233—Dried and Canned Apples and Apple Products—and is priced under the formula which already was applied to apple sauce and canned apples. This sets the ceiling at 18¼ per cent over the seller's price for the same product in the first 60 days of the 1941 pack, reflecting increases since 1941 in the costs of apples and labor.

A maximum price of 16¼ cents a pound is established for rings, quarters or slices of Eastern apples lower than United States Grade C, cored and peeled, and of 7½ cents for chops.

Boiled cider, concentrated cider, filtered concentrated apple juice, depectinized concentrated apple juice, and bland apple syrup also are brought under specific dollars-and-cents ceilings, graded on the Baume test.

The maximum processors' prices:

Product	*Baume Test*	*Maximum Price*
Boiled cider	32°	90c per gal.
Concentrated cider	32°	1.00 per gal.
Filtered concentrated apple juice	32°	1.07 per gal.
Depectinized concentrated apple juice	32°	1.17 per gal.
Bland apple syrup	40° or better	.16c per lb.

Where the Baume test is other than 32 degrees for boiled cider, concentrated cider, filtered concentrated apple juice or depectinized concentrated apple juice, an additional 5 cents may be added for each degree above 32 and 5 cents shall be deducted for each degree below 32.

The original MPR 233 provided that where packers had changed from tin to glass containers, they could price by comparison with the nearest container size in tin, within a limit of 20 per cent. This could be done by deducting the cost of the tin container, adjusting the cost of the contents for the new quantity and adding the cost of the glass container. The amendment provides for the same method of pricing, but changes the limit from 20 per cent to 50 per cent for the difference in sizes for which this method may be used.

The revised regulation becomes effective December 24.

WANTED AND FOR SALE

Machinery–Equipment

Names of member-firms who want to buy or who are offering for sale the machinery and equipment items listed below will be furnished upon application to the Association. When requesting names, be sure to give the number of the item referred to (33-S, 22-W, etc.), and your own firm name.

This service is limited to publication of the items wanted or for sale and to furnishing the identity of buyer or seller on request. When offering machinery and equipment for listing in this column, always include a brief description of the item. Address copy to attention, INFORMATION LETTER. Copy should be mailed so as to arrive in Washington not later than Thursday for publication the same week. Each item will be published three consecutive times, unless the LETTER is instructed to withdraw the copy.

WANTED

22-W—Hand- or motor-driven boxer for No. 2 cans.

23-W—Second-hand starter for 40 hp. motor.

24-W—Two or three 42 x 84 closed retorts.

25-W—Lye tank peeler for use on potatoes.

26-W—All-metal rotary or, auger type washer.

27-W—Abrasive vegetable peeling machine.

28-W—150-gallon copper kettle with scraper agitator.

29-W—A tenderometer.

30-W—Standard-Knapp dumper, unscrambler and booster for No. 2½ cans or smaller.

31-W—Caser, 24/2.

FOR SALE

33-S—No. 2 tin Berlin exhauster, 13-foot box, 3-row, over-all length 19 feet. In good condition.

34-S—No. 10 tin Peerless exhauster, style No. 5. Holding capacity for No. 10 cans of 108. Over-all length, 10 feet 10 inches; width, eight feet.

35-S—Vilter Corliss type horizontal steam engine, rated at 75 hp. Has 10-inch cylinder with 30-inch stroke.

36-S—Two Toledo gravity-gram scales, 30-pound capacity.

37-S—"Boss" Model 470 rotary meat cutter with 14 knives; no motor.

38-S—"Boss" power meat grinder.

39-S—Sixty-foot chain conveyor made up with No. 67 chain K-1 attachments with 2 x 18 inch wood slats.

40-S—Ayars filler (Series C-4230) for No. 10 cans. Has not been used for several years but is in good working condition.

41-S—Two Model RL-948 Barrett lift trucks with iron wheels and 2⅝" lift.

42-S—Twenty-five Type PM platforms, 36 inches wide by 60 inches long by 9½ inches high, with 1⅛ inch hardwood tops.

43-S—50-h. p. steam engine.

44-S—New, uncrated 30-gallon stainless steel trunnion kettle with double motion tilting agitator.

45-S—Used 150 hp. boiler, complete with fittings and 60-foot stack.

46-S—Berlin-Chapman cookers for No. 2½ cans; 550-can capacity.

47-S—Hanson pea and bean filler with change parts and extra sirup device.

48-S—No. 10, 5-way, square exhaust box.

49-S—M & S corn filler.

50-S—Dunkley cherry pitter, style E-4, with ⅞-inch diameter holes in drum, 80 rpm.

51-S—Dunkley cherry pitter, style E-4, with 1-inch diameter openings in drum, 80 rpm.

52-S—White Labeling Machine Company labeler.

CONDENSED SOUP PRICE REGULATIONS

Amendment Formalizes Calculation Methods Already Reached by Interpretation

Several minor changes in the new-formula condensed soup regulation were made by the Office of Price Administration, formalizing in explicit legal terms results already reached by interpretation.

The changes are made in Amendment No. 2 to Maximum Price Regulation No. 181 (New-Formula Condensed Soups Packed Under WPB Conservation Order M-81), effective December 18, 1942, that of which is as follows:

A new paragraph (f) is added to § 1341.52, a new paragraph (d) is added to § 1341.53, and §§ 1341.54, 1341.62, and 1341.68 (a) (4) are amended as shown below.

§ 1341.52 Canner's maximum prices for new-formula condensed soups packed under WPB Conservation Order M-81. * * *

(f) Any canner who sold any item partly on an f. o. b. factory basis and partly on a delivered basis, during the calendar year 1941, shall separately calculate for the item a maximum price f. o. b. factory and a maximum delivered price. Any canner who sold on a delivered basis by zones shall calculate a separate maximum delivered price for each zone. For the purpose of this paragraph, the canner shall accordingly segregate his 1941 prices for the item when calculating weighted average 1941 prices.

§ 1341.53 Wholesaler's and retailer's maximum prices for new-formula condensed soups packed under WPB Conservation Order M-81. * * *

(d) *Fractions of a cent.* When calculating a maximum price, the retailer shall adjust fractions of one-half cent or more to the next higher cent and fractions of less than one-half cent to next lower cent.

§ 1341.54 Inability to fix maximum prices under preceding sections.

(a) If the seller's maximum price for any item cannot be determined under §§ 1341.52 and 1341.53, his maximum price shall be the maximum price of the most closely competitive seller.

(b) If the seller's maximum price for any item cannot be determined under §§ 1341.52 and 1341.53 or under paragraph (a) of this section, the maximum price shall be a price determined after specific authorization from the Office of Price Administration, Washington, D. C., on application setting forth (1) a detailed description of the brand, variety and can size; and (2) a statement of the facts which differentiate it from the most similar item for which he has determined a maximum price, identifying the similar item and stating the maximum price determined for it. When authorization is given, it will be accompanied by instructions for determining the maximum price. Within ten days after the price has been determined, the seller shall report it to the

Office of Price Administration, Washington, D. C. This price shall be subject to adjustment at any time by the Office of Price Administration.

§ 1341.62 Marketing, posting and filing by retailers; applicability of the marking, posting and filing provisions of the General Maximum Price Regulation.

The marking, posting and filing provisions of § 1499.13 of the General Maximum Price Regulation are applicable to every person selling at retail any canned condensed soup covered by this Maximum Price Regulation No. 181. When used in this section, the term "selling at retail" has the definition given to it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1341.68 Definitions.

(a) When used in this Maximum Price Regulation No. 181, the term:

* * * * *

(4) "Price per dozen" shall mean "price per dozen f. o. b. factory" or "delivered price per dozen" according to the seller's customary practice, during the calendar year 1941, of charging for the item being priced.

* * * * *

§ 1341.70 Effective dates of amendment. * * *

(b) Amendment No. 2 (§§ 1341.52 (f), 1341.53 (d), 1341.54, 1341.62, 1341.68 (a) (4) and 1341.70 (b)) to Maximum Price Regulation No. 181 shall become effective December 18, 1942.

TAX ON TRANSPORTATION OF PROPERTY

Truck Operators Charging for Transportation Services May be Affected by 3% Tax

Canners who operate trucks and who make any charge for transportation services may be affected by the provisions of the 1942 Revenue Act providing for a 3 per cent tax on transportation. As soon as regulations are issued by the Bureau of Internal Revenue, all canners who operate trucks will be required to determine whether or not they must collect a tax of three per cent on all freight charges and make payments to the Government.

Beginning December 1, 1942, Section 3475 of the Internal Revenue Code imposed a tax of 3 per cent on amounts paid for the transportation of property within the United States. ([The rate of tax for importing coal is, however, four cents per short ton.]) Certain amounts have been exempted under Section 3475 and fall into three general classes.

First, an exemption is granted to any amounts paid by or to the United States or any agency thereof for the transportation of property. For example, the Quartermaster Corps would not be required to pay the transportation tax on any freight charges paid by it for the transportation of canned foods. Where the transportation charge is paid directly by the government agencies, or where shipment is made under a government bill of lading, no proof of exemption will be required by the carrier.

Second, if a tax already has been paid on freight charges for a through haul, no tax need be collected by a second carrier participating in the through haul. This eliminates the possibility of double taxation on a single freight movement.

Third, if the transportation costs are paid outside of the United States, regardless of where the transportation occurs, no tax is imposed on the transportation charge. Likewise, no tax is imposed on the transportation of the property which is consigned to a foreign country and which actually is exported. If, however, the property is transported from a point without the United States to a point within the country, the tax applies to the amount of the freight charge paid within the United States for that part of the transportation which takes place within the United States.

Section 3475 likewise provides that the tax must be collected by the carrier and paid to the Collector of Internal Revenue at the end of each month. Since the tax went into effect on December 1, 1942, the first returns and payment of the December taxes must be made to the Collector on or before January 31, 1943. Another requirement of this statute is that all carriers must register within 60 days of December 1, 1942. Failure to register carries a penalty of $50.00.

The Transportation Tax Section, Miscellaneous Tax Unit, Bureau of Internal Revenue, is now in the process of drafting regulations interpreting Section 3475. Pending issuance of those regulations, the Commissioner of Internal Revenue issued a preliminary statement concerning the policy of the Bureau with respect to the transportation activities which are covered by the statute. The Commissioner stated that the tax applies to amounts paid, on and after December 2, 1942, to a "person engaged in the business of transporting property for hire," and defines that term to include common carriers, contract carriers, local moving and drayage concerns and any other person rendering transportation for hire, wholly or in part, by rail, motor vehicle, water or air. Incidental deliveries by wholesalers and retailers who deliver merchandise in their own trucks are not subject to the transportation tax, even though a separate charge for the delivery was made to the customer. It is believed that the Commissioner will extend this ruling to incidental deliveries by manufacturers as well as wholesalers and retailers, but it is not quite clear just what standard will be applied in determining whether or not a person is engaged in the business of transporting, and whether the operations are merely incidental to his principal business. The transportation tax may be held to apply to any trucking operations which can be deemed to be in the nature of an "established business", even though the transportation activities do not constitute the principal business of the manufacturer.

The determination of whether or not a canner engages in the "business of transporting property for hire" must await the provisions of the forthcoming regulations. Those regulations will be reported in detail in a future issue of the INFORMATION LETTER.

Prune Juice and Concentrate Prices Established

Canners' sales of prune juices and prune concentrates, hitherto under the General Maximum Price Regulation, on December 19 were placed under specific regulation at prices which, reflecting increases in the costs of dried prunes and in processing costs, are somewhat higher than those which have been in effect.

The action was taken by the Office of Price Administration through the issuance of Amendment No. 3 to Maximum Price Regulation 185—Canned Fruits and Canned Berries, effective December 24.

The maximum price of prune concentrates, figured on the basis of a gallon or other customary selling unit, will be the weighted average price during March, 1942, plus 6 per cent, plus the actual increase per gallon (or other unit) of the cost of the dried prunes used in the concentrate.

Similarly, the maximum price of prune juice or other prune products, will be the weighted average price during March, 1942, plus 8 per cent, plus the actual increase of the cost of dried prunes or prune concentrate used to make the juice.

There will be no immediate effect on the retail level, but OPA is expected later to allow the retailer to pass on the same dollar and cent increase. The increase cannot be passed on at this time.

TIN-TO-GLASS AMENDMENTS ISSUED

New Pricing Methods for Preserve, Jam, Jelly, and Apple Butter Packers

Effective December 11, three major changes affecting packers of fruit preserves, jams and jellies, and apple butter who are forced to make the changeover from tin to glass or to make switches in container sizes and types because of war conservation programs, were accomplished by Amendment No. 3 to Maximum Price Regulation No. 226 (Fruit Preserves, Jams and Jellies) and by Amendment No. 2 to Maximum Price Regulation No. 232 (Apple butter). These are (1) A new method for pricing new and old container types and sizes with a formula which sets prices for such items by relating them to near-sizes for which a price already has been determined under the packers' regulation, (2) A specially adjusted pricing formula for packers of preserves and apple butter who sell direct to the ultimate consumer, and (3) Special situations which tell packers how to compute their customers' "permitted increases."

Text of Amendment No. 3 to MPR 226 follows:

Two new paragraphs are added to § 1341.302 and paragraph (a) of § 1341.309a is amended as set forth below.

§ 1341.302 *Packer's maximum prices for fruit preserves, jams and jellies.* * * *

(e) *New container types and sizes.* The maximum price per dozen or other unit for any container type or size which the packer did not sell during the 1941 base period shall be calculated as follows. He shall:

(1) *Select the base container type and size.* (i) If the packer sold the same kind, flavor, brand and container size, but only in other container types during the 1941 base period, he shall first select from that kind, flavor, brand and container size the most closely comparable container type for which he is able to calculate a maximum price under this section (even though he no longer sells that container type).

(ii) If the packer sold the same kind, flavor, brand and container type, but only in other sizes, during the 1941 base period, he shall first select from that kind, flavor, brand and container type the nearest size for which he is able to calculate a maximum price under this section and which is one-half or less larger, or if there is no such size, one-half or less smaller (even though he no longer sells that size).

(iii) If the packer sold the same kind, flavor and brand, but only in other sizes and container types, during the 1941 base period, he shall first select from that kind, flavor, and brand the most closely comparable container type for which he is able to calculate a maximum price under this section (even though he no longer sells that container type), and from that container type he shall select the nearest size which is one-half or less larger or, if there is no such size, one-half or less smaller (even though he no longer sells that size). If there is no smaller size, he shall go to the next most closely comparable container type and proceed in the same manner to find a base container type and size.

(2) *Deduct the container cost.* Taking the maximum pri per dozen or other unit which he has already calculate for the selected size and container type, the packer shall th subtract the direct cost per dozen or other unit of the co tainer. "Direct cost of the container" means delivered co of the container, label, cap, and outgoing shipping carto but it does not include costs of filling, closing, labeling packing.

(3) *Adjust for the difference in contents.* The figure o tained by this deduction shall then be adjusted by dividi it by the number of ounces in that sized container and mul plying the result by the number of ounces in the sized co tainer being priced.

(4) *Add the new container cost.* Finally, the packer sha add to this adjusted figure the "direct cost of the container in the size being priced.

(f) *Packers selling to consumers.* Any packer who reg larly sells any item of fruit preserves, jams or jellies, to ul mate consumers other than industrial, institutional and co mercial users shall calculate a maximum price for the ite separately to that class of purchasers. If during the 19 base period such a packer sold the item also to wholesale or retailers, he shall calculate his maximum price to ul mate consumers (other than industrial, institutional a commercial users) by adding to his maximum price to su consumers under the General Maximum Price Regulati the permitted increase which he has calculated under th regulation for his retailers or for his wholesalers (convert to retail units). If during the 1941 base period he sold t item only to ultimate consumers (other than industrial, ins tutional and commercial users), he shall add the permitt increase which the nearest comparable packer who sells to r tailers or wholesalers has computed for his retailers or for h wholesalers (converted to retail units).

Paragraph (a) of § 1341.309a is amended by deleting th sentence, "When any packer has established a maximu price by taking the maximum price of his competitor, as pr vided in § 1341.303 (a), his base price shall be the base pri of the competitor," and substituting the following:

If the packer has established a maximum price und paragraphs (a) to (d) of § 1341.302, but made no sales the item during December 1941, his base price shall be h highest offering price during December 1941, but if he h no offering price, he shall report only the permitted increa which the most closely competitive packer calculated for h own wholesalers. If the packer has established a maximu price by taking the maximum price of his competitor, as pr vided in § 1341.303 (a), and he made no sales of the ite during December 1941, his base price shall be his highe offering price during December 1941 or, if he had no offeri price, the base price of the most closely competitive packe

§ 1341.317 *Effective dates of amendments.* * * *

(d) Amendment No. 3 (§§ 1341.302 (a) (1), (e) and (f) 1341.309a (a) and 1341.317 (d)) to Maximum Price Regul tion No. 226 shall become effective December 11, 1942.

Henderson Successor Not Yet Named

No successor to Price Administrator Leon Henderson h been named by President Roosevelt, as The LETTER went t press. The OPA chief tendered his resignation on Decemb 17, but will conduct the office until a new price administra is named. Several of the political commentators have e pressed the belief that the appointment will go to Prenti M. Brown, who when he was serving as Senator fr Michigan, steered the 1942 Emergency Price Control A through Congress.